

**BRICKLAYERS LOCAL 16
PENSION PLAN**

**RESTATED
SUMMARY PLAN
DESCRIPTION**

[For Certain Members of Bricklayers Local No. 3]

JANUARY 2018

**Keep this Summary Plan Description
For Future Reference**

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**SAN FRANCISCO BRICKLAYERS LOCAL NO. 16
PENSION PLAN
888-208-0250 (Toll Free)**

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BRICKLAYERS LOCAL NO. 16 PENSION PLAN

Dear Participant:

We are pleased to provide this new booklet, known as a Summary Plan Description, for the Bricklayers Local No. 16 Pension Plan ("Plan"). The Plan provides retirement benefits to members of Bricklayers Local No. 3 working under a collective bargaining agreement with Bricklayers Local No. 3. The predecessor Union was Bricklayers Local 16, which is the source of the Plan name.

This booklet summarizes the key provisions of the Plan including how you earn benefits, when you may commence receiving your benefits and the choices you have when your benefits are paid to you. The formal text of the Plan controls eligibility, benefit payments, and other aspects of the Plan. **In the event of any ambiguity or a conflict between this booklet and the Plan, the Plan will govern.**

The Plan provides options you may choose to meet your needs upon your retirement or withdrawal from the Masonry, Terrazzo and Marble Construction Industry.

You should read this booklet carefully. Moreover, if you are married you should discuss the Plan's benefits, options and other rules with your spouse.

KEEP THIS BOOKLET FOR FUTURE REFERENCE

Over the years you may accumulate a substantial pension benefit to which you or your named beneficiary may be entitled. Please submit a completed beneficiary form to the Plan Office and notify the Plan of any address changes.

Only the Board of Trustees is authorized to interpret the Plan of benefits described in this booklet. The Board of Trustees has the full discretionary authority to determine eligibility for benefits, claims and appeals and to construe and interpret the Plan and related documents, and any rules.

If you have any questions about the Plan or desire additional information, please contact the Plan Office at the address listed above.

Sincerely,

Board of Trustees

IMPORTANT NOTICES

CAUTION: FUTURE AMENDMENTS

Future amendments to the Plan may have to be made from time to time to comply with Congressional action, rulings by federal agencies, and/or courts and other changes deemed necessary or prudent by the Board of Trustees. You will be notified when important amendments to the Plan are made. Before you decide to retire, you should contact the Plan Office to determine if there have been Plan changes or other developments that may affect your retirement benefits.

LIMITATION UPON RELIANCE ON BOOKLET AND STATEMENTS

This booklet provides a brief, general summary of the Plan rules. It is not intended to cover all the details of the Plan. Nothing in this Summary Plan Description is meant to interpret or change the Plan provisions. You should review the Plan to fully determine your rights. The Plan is available for your review at the Plan Office upon written request.

You are not entitled to rely upon oral statements of employees of the Plan Office, a Trustee, an Employer, any Union Officer, or any other person or entity. If you wish an interpretation of the Plan, you should address your request in writing to the Board of Trustees at the Plan Office. To make their decision, the Board of Trustees must be furnished with full and accurate information concerning your situation.

As a courtesy to you, the Plan Office may respond orally to questions; however, oral information and answers are not binding upon the Plan and cannot be relied upon in any dispute concerning your benefits and/or the Plan.

You should further understand that, from time to time, there may be an error in a statement, letter or other communication that you receive which may be corrected upon an audit or review. The Board of Trustees reserves the right to make corrections whenever any error is discovered.

CONSULT WITH TAX ADVISOR

The Plan Office does not provide tax advice or suggest how you should receive your benefits. **You should discuss with a tax advisor the tax consequences of any withdrawal of funds or selection of a benefit option.**

ONE YEAR TO FILE LAWSUIT

If your appeal has been denied or there has been a different form of adverse action taken against you, such person (Participant, beneficiary or any other person or entity) has one year from the date of such denied appeal or adverse action to file a lawsuit. If the person fails to do so, no lawsuit is permitted.

I. TYPE OF PLAN

The official name of the Plan is the Bricklayers Local No. 16 Pension Plan ("Plan"). The Plan was originally established as of July 1, 1968 and has been restated effective as of January 1, 2014 (the prior restatement was as of January 1, 2009). Originally, the Plan was known as the "B.M. and P.I.U. Plan" but as of February 1, 1979, was changed to the Bricklayers & Allied Craftsmen Local 16 Pension Plan.

The Plan is a multi-employer, collectively bargained defined benefit pension plan, which means that the Plan contains a formula for determining your pension benefit at retirement. If you are vested, you will be entitled to a "defined" benefit at retirement based on your years of service and the formula provided in the Plan and as summarized in this booklet. Benefits are payable at Normal Retirement (after age 62 or older) or reduced benefits at early retirement (age 62).

The Plan is governed by a federal law known as the Employee Retirement Income Security Act as amended ("ERISA") and is insured under the federal Pension Benefit Guaranty Corporation, known as the "PBGC". See Article X, Section C & D of this booklet for more information on the Plan's provisions relating to termination and the PBGC guarantees of certain benefits.

II. ADMINISTRATION OF THE PLAN/INVESTMENTS

A. ADMINISTRATION

The Plan is administered by a Board of Trustees comprised of up to six Trustees. One-half of the Trustees, called "Employer Trustees," are current or former contributing employers and one half of the Trustees, called "Union Trustees," are selected by Bricklayers Local 3. The Trustees are listed on page IV of this booklet.

The Board of Trustees has many powers and functions including without limitation, investing the Plan's assets, interpreting Plan provisions, amending the Plan, deciding policy questions, and appointing advisors and consultants, such as an auditor, legal counsel and investment consultant.

The Board of Trustees has delegated the day-to-day administration of the Plan, including preparation of the annual statements and processing of applications and issuance of benefit payments, to BeneSys Administrators, a professional third-party administration firm. The fiscal year for the Plan is from July 1 through June 30 of the following year (known as the "Plan Year").

Only the Board of Trustees and its authorized representatives are authorized to interpret the Plan of benefits described in this booklet. No one else can interpret this Plan or act as an agent for the Board of Trustees – this includes individual Trustees, Employers, Unions and their representatives. The Board of Trustees (and persons or entities appointed or so designated by the Board) has the full discretionary authority to determine eligibility for benefits and to construe the terms of the Plan (and other documents pertaining to the Plan and Trust) and any rules adopted by the Trustees.

Who to Contact for Account Questions

Please contact the Plan Office at (925) 208-9995 (Toll free: (888)-208-0250) if you have questions or want to know more about the Plan and/or your Account.

B. INVESTMENTS

Investments are diversified among fixed income securities, common stocks and other investment vehicles. Other types of investments could be used in the future. The Board of Trustees has contracted with Investment Performance Services, a registered investment manager, to prudently invest the Plan's assets in accordance with the Investment Policy adopted by the Board of Trustees.

C. AUDITOR

The Board of Trustees has contracted with Vavrinek, Trine, Day and Company, a certified public accounting firm, to periodically audit the Plan's assets and to prepare the Plan's annual tax return (Form 5500).

D. REHABILITATION PLAN

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. In 2011 the plan reduced or eliminated adjustable benefits. If the trustees of the plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to Participants and beneficiaries whose benefit commencement date is on or after April 1, 2011.

To improve the Plan's funding situation, the Trustees adopted the following rehabilitation plan on January 27, 2011. The terms of the rehabilitation plan will continue as long as required to improve the Plan's funding situation. For Plan participants not in pay status, effective April 1, 2011:

- The monthly benefit accrual rate for benefits earned from April 1, 2011 forward decreased from 2% of contributions that are counted for benefit accrual to 1% of contributions that are counted for benefit accrual
- The unreduced retirement age increased from age 60 to age 62
- Early retirement benefits paid before age 62 are reduced to the actuarial equivalent of the age 62 benefit
- The 60-month guaranteed payment period was eliminated
- The disability retirement benefit was eliminated
- The lump sum pre-retirement death benefit was eliminated

You may obtain a copy of the Plan's rehabilitation plan and the actuarial and financial data that demonstrate any action taken by the plan toward fiscal improvement by contacting the plan administrator.

III. PARTICIPATION AND RECIPROCITY

A. BECOMING A PARTICIPANT; 300 HOURS IN 12 CONSECUTIVE MONTHS

Employees covered by a collective bargaining agreement between an employer and Bricklayers and Allied Craftworkers Union Local No. 3 (“BAC 3”) that requires contributions to the Bricklayers Local No. 16 Pension Plan become Participants in the Plan as of January 1 or July 1 next following a 12-consecutive month period during which the Participant earns at least 300 hours of Pension Credit in Covered Employment. The Plan does not cover all employees of employers because the collective bargaining agreements usually require contributions to this Trust only for bricklayers, stonemasons and allied masonry craft classifications.

You continue as a Participant until you incur a permanent Break in Service resulting in the cancellation of your earned Pension Credit and Credited Service, or until your death, whichever first occurs. See Section D below on page 5 for a summary of the Break in Services rules.

B. RECIPROCITY

The Board of Trustees is authorized to enter into reciprocity agreements with the Board of Trustees of other qualified sponsored retirement Plans associated with other local unions affiliated with the International Union of Bricklayers and Allied Craftworkers. Such agreements allow for the transfer of your pension benefits with the Plan to another defined benefit Plan, or vice versa, depending on your Home Local Union. The form and content of any such reciprocity agreement is at the discretion of the Board of Trustees. Reciprocity is not automatic. Thus, if you are working for an employer in another geographic area covered by a different employee benefit plan sponsored by a different Bricklayers Local Union, you should contact the Plan Office to determine whether a reciprocity agreement exists.

If you work under a collective bargaining agreement in the jurisdiction of another Bricklayers Local Union, your Employer’s contributions under that agreement will be made on your behalf to that Local Union’s pension fund. If that Local Union’s Pension Fund is signatory to a Reciprocal Agreement with this Plan and you execute a pension transfer authorization form, a portion or all of the contributions that are reported to the other pension fund will be transferred to this Plan and be calculated as if you had worked in Local 3’s jurisdiction (and vice versa). The specific terms of each reciprocity agreement govern such transfers. **As a general rule, contributions made prior to the date you sign a transfer authorization form will not be transferred.**

If there is no such reciprocal agreement or you do not authorize the transfer of contributions, the contributions will not be transferred, and the contributions made on your behalf to the other pension fund will be subject to that other Plan’s rules.

IV. EMPLOYER CONTRIBUTIONS

Your pension benefit is funded by Employer contributions made on your behalf pursuant to collective bargaining agreements with Bricklayers Local No. 3. The contribution rates for each hour of your employment are set, from time to time, by the parties to such agreements. Employer contribution rates may be increased, decreased, stay the same or be terminated by the parties to the collective bargaining agreement at any time in the future. **The amounts contributed to the Plan have varied over the years. For Journeymen working in the Local 16 jurisdiction, employer**

contributions are \$8.75 an hour: \$5.75 is for unfunded liability (not being used to calculate your benefits) and \$3.00 counts for benefits. The unfunded liability contribution amount is \$0.70 per hour for apprentices (no benefit is calculated on that portion of the Employer contribution). These amounts may change in the future.

Your Employer is required to make contributions for your hours of work by the 15th day of the month following the month in which your hours of work were performed. Your Employer forwards to the Plan Office a transmittal form that contains the name and hours of work performed by each Covered Employee together with a payment to the Trust. The Plan Office credits your Individual Account with the amount of employer contributions made on your behalf.

ALERT: IF YOU BELIEVE YOUR EMPLOYER IS NOT CONTRIBUTING THE FULL AMOUNT TO THE PLAN

You **should notify the Union and the Plan Office immediately** if you are aware or suspect that your Employer has not contributed to the Plan on your behalf the full amount required under your collective bargaining agreement. If you fail to do so, your benefit may not be credited the correct or full amount or there may be delays in the crediting of such amounts.

The Plan Office reviews your Employer's monthly transmittal reports for mathematical accuracy and notifies the Employer if there is an error in the Employer's contributions which requires correction. Employer payments are transmitted to the custodial bank which allocates sums contributed to this Plan. Each month the Plan Office makes the necessary computer entries reflecting the contributions made on your behalf. No employee contributions are permitted in the Plan. You may obtain a list of contributing Employers with their addresses and a copy of your applicable collective bargaining agreement upon written request to the Plan Office.

V. PENSION CREDIT, CREDITED SERVICE, VESTING AND BREAKS IN SERVICE

A. PENSION CREDIT FOR PAST AND FUTURE SERVICE

1. Credit for Periods Prior to July 1, 1968 (Past Credited Service). An Employee is entitled to Past Credited Service prior to July 1, 1968, in accordance with the provisions of Section 1.14.

2. Credit for Periods on and After July 1, 1968 (Future Credited Service). An Employee is entitled to Future Credited Service on the basis of his Covered Hours in accordance with the following schedule:

<u>Credited Hours in Each Plan Year</u>	<u>Future Credited Service</u>
Under 300 Hours	0
300 but less than 400	.1
400 but less than 500	.2
500 but less than 600	.3
600 but less than 700	.4
700 but less than 800	.5

800 but less than 900	.6
900 but less than 1000	.7
1000 or more	1.0

3. Pension Credit Definition. Pension Credit for future service is granted only for hours of work in a job classification set forth in a collective bargaining agreement between Bricklayers Local No. 3 and an Employer requiring contributions for such hours of work to the Trust

4. Credit for Certain Military Service. Pursuant to the Veterans Readjustment Assistance Act, the Uniformed Services Employment and Reemployment Rights Act of 1994, and other applicable federal law, an authorized leave of absence due to military service in the Armed Forces of the United States shall be considered Credited Service and Vesting Credits under the Plan, provided that the Participant complies with all of the requirements of applicable federal law, this Plan, and any rules established by the Board of Trustees or its delegate. Only service in the Armed Forces of the United States for which credit is required under the above-referenced federal laws will be considered under this subsection.

B. CREDITED SERVICE: 1000 Hours of Service: A Year of Credited Service is granted for 1,000 or more hours of Credited Service in a calendar year commencing on and after January 1, 1968. (Periods prior to January 1, 1968 are governed by the prior Plan provisions.) Credited Service includes work in Covered Employment for which a Contributing Employer is required to make contributions to this Plan.

Pregnancy, Birth and Related Periods. If a Participant is absent from Covered Employment for an Employer for any period on or after August 23, 1984 due to: (a) the pregnancy of the Participant or (b) the birth of a child of the Participant, or (c) the placement of a child with the Participant in connection with the adoption of such child by such Participant, or (d) caring for any such child of the Participant for a period beginning immediately following such birth or placement, the Plan regards hours of such absence as hours of Credited Service for Vesting but not for Pension Credit (no benefit is earned during this period, but Vesting Credit is granted).

C. VESTING RULE: 5-Year Vesting Requirement (for period from 1/1/1998 forward)

To be “100% Vested” means that your accumulated Pension Credit and Credited Service cannot be cancelled if you leave Covered Employment and you will be entitled to a Pension at Normal Retirement Age or Early Retirement Age (if you meet all Plan requirements).

5 Years Vesting if Covered Employment on or after 1/1/1998. A Participant who has one hour of Covered Employment requiring contributions to this Plan on or after January 1, 1998 is fully Vested (100%) vested after he accumulates at least five years of Pension Credit or Credited Service since any permanent Break-in-Service that resulted in the permanent cancellation of previously accumulated Credited Service and Pension Credit. Different vesting rules existed for periods prior to January 1, 1998.

D. BREAKS IN SERVICE

A “Break-in-Service” means that you left employment with an Employer required to make contributions on your behalf to this Pension Trust. When a Break-in-Service occurs before you

are vested, your accumulated Pension Credit and Credited Service are cancelled. Should you later return to work for a contributing Employer, you will commence earning Pension Credits as though you had not been previously employed. The following rules apply:

1. Temporary Breaks-in-Service on and After January 1, 1976. From January 1, 1976 forward, a Participant who is not vested incurs a one-year Break-in-Service if, in a Calendar Year, he fails to work three hundred hours of Covered Employment (or had 300 hours of Credited Service). (Breaks in Service occurring prior to July 1, 1976 are governed by the Plan in effect at the time the Break- in-Service occurred.)

Except as provided in Section 3 below, if a Participant has a one-year Break- in-Service as defined in this Section, any Credited Service accumulated prior to the one-year Break- in-Service will be canceled unless he returns to Covered Employment in the succeeding year and accumulates at least three hundred hours of Credited Service.

2. Permanent Breaks in Service

a. From January 1, 1976 through December 31, 1984. A non-vested Participant's accumulated Credited Service or Pension Credit from January 1, 1976 through December 31, 1984 is automatically canceled if the number of consecutive years of Breaks-in-Service exceeds the aggregate number of the Participant's years of Credited Service or Pension Credit accumulated prior to any such Break- in-Service.

b. From and After January 1, 1985 (current). Effective as of January 1, 1985, a non-vested Participant's Credited Service and Pension Credit is automatically canceled if the Break-in-Service exceeds the five consecutive one-year Breaks-in-Service. In computing the total number of years of Credited Service or Pension Credit prior to the Break-in- Service, Pension Credit or Credited Service previously lost because of a prior permanent Break-in-Service shall not be considered.

3. Exceptions to Break in Service Rules

In determining whether a Break in Service has occurred, the following periods are excluded from any such determination.

a. Disability. A Participant is incapable because of a serious disability, illness or accident as determined by the Board of Trustees, of performing any work for which contributions are required to the Pension Fund, provided an application for such leave of absence (exception to the break in service rules) is made in writing to the Board of Trustees within thirty days after commencement of such disability.

b. Military Service. Service in any of the armed forces of the United States for a period of up to five years, or such other period as provided by the Uniformed Services Employment and Reemployment Rights Act of 1994 or any successor law (hereinafter "USERRA"), provided that following discharge from such service the Participant returns to Covered Employment within the period required to qualify for benefit protection under USERRA or any successor law. If this condition is met, the Participant shall be credited with Hours of Service for each year of military service equal to the number of Hours of Service he or she earned during the twelve-month period

immediately prior to entering such military service. Pro rata credit shall be given for partial years of military service.

3. Immediate Transfer to Non-Covered Employment. A Participant will not incur a Break-in-Service if he is immediately transferred directly from Covered Employment to non-covered employment with the same employer.

4. Pregnancy/Childbirth/Adoption. A Participant will not incur a Break- n-Service for absences from covered Employment on or after August 23, 1984: (a) by reason of pregnancy of the Participant; (b) by reason of the birth of a child of the Participant; (c) by reason of the placement of a child with the Participant in connection with the adoption of such child by such Participant; or (d) for purposes of caring for any such child of the Participant for a period beginning immediately following such birth or placement.

E. ANNUAL STATEMENT PROVIDED TO PARTICIPANTS

The Plan Office will furnish you with a statement showing your benefits as of the end of the Plan Year, which includes the Employer contributions made on your behalf. You should receive your annual statements within 4-5 months after the end of the Plan Year. The annual statement records the hours for which contributions were made up to the end of May before the current June 30 Valuation Date. Your most recent June contributions will not be included in the annual statement because contributions for the June hours you worked are not required to be made by your employer until the 15th day of July. For example, the hours you work in June will be reported by your employer in July and will be included in the following year's Valuation Statement as of June 30. Moreover, paychecks to employee are sometimes issued on a weekly basis. Some checks may reflect work days overlapping the end of one month or payment for the last week of a month may be paid in the following month

VI. NORMAL, EARLY AND DISABILITY RETIREMENT

A. ELIGIBILITY TO RECEIVE YOUR BENEFITS

To be entitled to receive your Plan benefits you must terminate your employment and file a complete benefit application. To receive your benefits once you are eligible for such benefits, you should file an application in a form and manner prescribed by the Plan within 60 days of your anticipated retirement or benefit commencement date. Applications may be obtained from the Plan Office. To avoid delays, you should submit with your application:

- your intended retirement date or benefit commencement date;
- proof of age (your birth certificate), and that of your spouse if you are married (if you desire a joint and survivor annuity form of benefit);
- your social security number, and if married, your spouse's social security number;
- proof of marriage, if applicable (marriage certificate);
- Court-approved copy Final Judgment in your divorce action, including any settlement agreement or other pertinent divorce papers.

If you will be receiving a monthly pension benefit from the Plan, your pension is effective the first day of the month following the date you file your completed pension application and you are eligible to receive your benefits. Benefit checks are prepared effective as the first day of each

month. Benefits are paid as soon as it is administratively feasible after all contributions are received and your application is processed. Thus, filing a timely application is important.

B. NORMAL RETIREMENT PENSION-AGE 62

1. Eligibility for a Normal Pension. To be eligible for the Plan's Normal Retirement Pension you must have attained "Normal Retirement Age," which is the earlier of: (i) age 62 and accumulation of five years of Credited Service and at least 5 years of Pension Credit, without a permanent break in service or (ii) the later of age 62 or your fifth anniversary of participation in the Plan without a permanent Break in service. If you have not performed any Covered Employment on or after January 1, 1988, then the prior Plan's ten-year vesting requirement would be applicable.

2. Amount of the Normal Pension. The monthly amount of a Normal Retirement Pension is determined as follows:

- a. \$2.50 multiplied by the number of Participant's years of Past Service up to a maximum of ten years; and
- b. 2% multiplied by the total contributions made or required to be made to the Plan on his behalf for work performed prior to July 1, 1981.
- c. For work performed from July 1, 1981 to July 1, 1996, inclusive, 2.5% multiplied by the total contributions made or required to be made to the Plan on his behalf for work performed during that period.
- d. For work performed from July 1, 1996 to June 30, 2009, inclusive, 2.5% multiplied by the Contributions for benefits made or required to be made to the Plan on his behalf as a result of his hours worked during that period.
- e. For work performed from July 1, 2009 to March 31, 2011, 2.0% multiplied by the Contributions for Benefits made or required to be made to the Plan on his behalf as a result of his hours worked during that period.
- f. For work performed from April 1, 2011 forward, 1.0% multiplied by the Contributions for Benefits made or required to be made to the Plan on his behalf as a result of his hours worked during that period.**

C. UNREDUCED EARLY RETIREMENT PENSION—NOT APPLICABLE

Effective as of April 1, 2011, the Plan does not provide an Unreduced Early Retirement Pension.

D REDUCED EARLY PENSION BENEFIT AGE 55 WITH 10 YEARS OF SERVICE

A vested Participant is eligible to retire on a reduced early retirement benefit if he has attained age 55 or older and, at the time of his retirement and has 10 years of Credited Service. The monthly amount of Early Retirement Pension is reduced by 1/2 of 1% for each month that he is less than 62 years of age (six percent for each full year younger than age 62). This reduction is because the retiree will be collecting a pension for a longer period.

E. DISABILITY PENSION (Not Applicable as of 4/1/2011)

Effective as of April 1, 2011, the Plan does not provide a Disability Pension Benefit (except for individuals already receiving a Disability Pension Benefit under the Plan).

F. POSTPONED RETIREMENT/REQUIRED COMMENCEMENT OF BENEFITS

You can postpone your retirement beyond your Normal Retirement Age and continue to earn Pension Credit; however, you must begin receiving your pension benefits no later than (i) April 1 of the calendar year following the date you attain age 70½ or (ii) after you terminate covered employment, whichever is later. If, however, you are a 5% owner of a contributing Employer you must begin receiving distributions no later than April 1 of the calendar year following the date you attain age 70½, regardless of whether you continue to work.

VII. PAYMENT OF PENSION BENEFITS

A. GENERAL RULES FOR PENSIONS—AUTOMATIC FORMS OF PAYMENT

1. Married Participants. A married Participant who has been married for at least one year is entitled to benefits under the Plan will receive his benefits in the form of a 50% Joint and Survivor Annuity unless waived by the Participant and Spouse as provided in Section B (4) below.

2. Unmarried Participants. The normal form of benefit for a non- married Participant who has commenced either Early or Normal Retirement, is a single Life Annuity. Under this benefit form, the Participant's monthly pension benefit is paid during the Participant's life only. A Participant may, however, waive this form of benefit and select another benefit option.

B. QUALIFIED JOINT AND SURVIVOR ANNUITY.

1. Normal Form of Benefit for Married Participants (if married for at last one year). A married Participant's Pension will be paid in the form of a 50% Joint and Survivor Annuity unless the Participant's spouse signs a written waiver of this form of benefit in the manner described below in section 4.

A 50% Joint and Survivor Annuity is an actuarially reduced monthly pension for the life of the Participant and upon his death, his surviving Spouse shall receive a lifetime benefit equal to fifty percent (50%) of the benefit that the Participant had been receiving, commencing on the first day of the month following the date of the Participant's death. Because a Joint and Survivor Annuity provides pension benefits for the lives of two persons, there is a reduction from the monthly pension benefit that would otherwise be payable if the pension would be paid on the Participant's life only. This reduction is based on the Participant's age and the age of the Spouse at the date of the Participant's proposed Annuity Starting Date. The amount of this reduction is expressed as a percentage reduction from an annuity based on the Participant's life only.

If you retire on a Joint and Survivor Annuity and subsequently divorce your spouse, your pension will not be increased to the level you would have received had this coverage not been provided. In most instances (i.e. unless a court order provides otherwise), your former spouse will continue to be entitled to his or her portion of your pension. Moreover, if you subsequently remarry, you may not transfer your former spouse's benefit to your new spouse.

2. Notice Requirement. Within a reasonable period before the Participant's Annuity Starting Date, (but no more than 180 days before such date) and consistent with such regulations as the Secretary of the Treasury may prescribe, the Plan will provide each Participant with a written explanation of the terms and conditions of the 50% Joint and Survivor Annuity, the effect of electing another form of benefit in lieu of the 50% joint and survivor annuity, their rights to waive or revoke a waiver of the 50% joint and survivor annuity and the spouse's right to consent or not to consent to the election to waive a 50% joint and survivor annuity. The written explanation described in the preceding sentence must be provided no more than 180 days before the date of the first actual payment of benefits and must be provided at least 30 days before the date of such first actual payment, unless the Participant, with applicable spousal consent, elects to waive the 30-day minimum election period requirement and distribution commences more than 7 days after the date the written explanation is provided.

3. Information Request. The Plan Office will not process an application for a Pension until a Participant has submitted acceptable proof of marriage (if applicable), proof of the dates of birth, of the Participant and spouse (if applicable) together with the completed retirement application form provided by the Plan Office. Proof of the dates of birth should be evidenced by a birth certificate

4. Spousal Consent. A pension for a married Participant will be paid in the form of a 50% Joint and Survivor Annuity unless the Participant and Spouse, within a 180-day period prior to the Annuity Commencement Date, have filed with the Plan Administrator, a waiver of payments in the form of 50% Joint and Survivor Annuity. Such waiver shall be signed by the Spouse no sooner than 180 days before the Annuity Commencement Date. The Participant may, with the written consent of the Spouse witnessed or notarized as described below, revoke any previous waiver prior to the Annuity Commencement Date.

C. BENEFIT OPTIONS

1. 66%, 75% or 100% Joint and Survivor Annuity. A married Participant and his spouse may, during the election period, waive the 50% Joint and Survivor option and elect either a 66%, 75% or a 100% Joint Survivor option which is defined as an actuarially reduced annuity for the life of the Participant with a survivor annuity for the life of the Spouse which is either 66%, 75% or 100%, respectively, of the amount of the annuity which is payable during the joint lives of the Participant and the Spouse.

2. 50% Pop-Up Pension. A Participant, with the consent of his spouse, may waive the standard 50% Joint and Survivor Annuity and elect a 50% "pop up" modification to the Joint and Survivor Annuity. Such a benefit provides that if the spouse predeceases the Participant after retirement, the monthly benefit to the Participant commencing the month succeeding the date of the death of the spouse shall be increased to the monthly benefit amount the Participant would have received had the Participant and the spouse not elected the 50% Joint and Survivor annuity,

and such increased benefit amount will continue to be paid for the life of the Participant. This pop-up benefit is an actuarially reduced benefit.

3. Life Annuity-36 Months Guaranteed. Under this option, the Plan provides the Participant with a lifetime monthly benefit and if you died before you receive 36 months of benefits, your beneficiary is entitled to receive the remaining payment until a total of 36 months of benefits have been paid.

4. Life Annuity-120 Months Guaranteed. Under this option, the Plan provides the Participant with a lifetime monthly benefit and if you died before you receive 120 months of benefits (10 years), your beneficiary is entitled to receive the remaining payment until a total of 120 months of benefits have been paid.

D. DISTRIBUTION RULES

1. Benefits After Normal Retirement Age. If a Participant who is retired from Covered Employment fails to apply for benefits until after his Normal Retirement Age, the Participant shall be deemed to have postponed his retirement past Normal Retirement Age. The monthly benefit of a Participant who postpones retirement past Normal Retirement Age is the Participant's accrued benefit at Normal Retirement Age, actuarially increased for each complete calendar month between Normal Retirement Age and the pension effective date for which benefits were not suspended, and then converted at the pension effective date to the benefit payment form elected or to the automatic form, which is the fifty percent (50%) Joint and Survivor Annuity if the Participant is married.

If the Participant first becomes entitled to additional benefits after Normal Retirement Age, whether through additional service or because of a benefit increase, the actuarial increase in those benefits shall start from the date they would have first have been paid rather than the Normal Retirement Age. The actuarial increase shall be based on an interest rate of five percent (5%) and the applicable mortality table as defined in Internal Revenue Code Section 417(e)(3)(B), and notwithstanding this basis, for ages over age 70-1/2 be consistent with the requirements of Internal Revenue Code Section 417(c)(3)(B).

If a Participant's Annuity Starting Date is subsequent to that Participant's Normal Retirement Age, that Participant's normal retirement pension benefit shall be the greater of: (i) the benefit the Participant is entitled to receive calculated by including the amount of the Participant's Pension Credit earned up to the Participant's actual Annuity Starting Date, or (ii) the benefit the Participant would have been entitled to receive at the time the Participant reached his Normal Retirement Age actuarially adjusted for the delayed payment excluding any Pension Credit earned after the Participant's Normal Retirement Age.

2. Timing of Distributions. Pursuant to the Internal Revenue Code, benefits under the Plan must begin no later than the 60th day after the latest of the close of the Plan Year in which (a) the Participant reaches the Plan's Normal Retirement Age, (b) occurs the 10th anniversary of the year in which the Participant began participation under the Plan, or (c) the Participant terminates service with the Employer, unless the Participant agrees to a later distribution.

VIII. IRS AND OTHER DISTRIBUTION RULES/DIVORCE ORDERS (ODROS)

A. IRS Required Distributions

Under the Internal Revenue Code, the Plan must commence paying your benefits no later than April 1 following the calendar year you attain age 70½ or the date you retire, whichever is later. This is known as your Required Minimum Distribution or "RMD". Although you may take your first RMD by the end of the calendar year in which you turn 70-1/2, you can delay taking that first distribution until April 1 of the year following the year in which you turn 70-1/2. If you choose to delay the first RMD, you will have to take two distributions in that same year (the second one by December 31).

If a married Participant attains age 70-1/2 who is no longer working in Covered Employment attains age 70-1/2 but refuses to file a pension, the Participant shall be deemed to have elected a 50% Joint and Survivor Annuity. In determining such benefit, the Participant's Spouse shall be deemed to be five years younger than the Participant. (If the Plan is uncertain whether a Participant is married, it shall presume that the Participant is married). If the Plan subsequently learns that the Spouse is younger, the Plan shall may make the appropriate adjustments (including a reduction in benefits) to account for such difference. If a single Participant who is no longer working in Covered Employment attains age 70-1/2, but does not file a pension application, the Participant is deemed to have elected a single Life Annuity.

WARNING—POTENTIAL IRS PENALTY ASSESSED AGAINST YOU

(If your benefits are not paid at Age 70-1/2)

The IRS assesses a severe penalty against you if you do not begin receiving your pension benefits by April 1 of the year following the date you attain age 70-1/2 or the date you retire, whichever is later. If you are a 5 percent owner, you must begin receiving your benefits at age 70-1/2 even if you are still working.

B. Internal Revenue Code Distribution Rules

Pursuant to the Internal Revenue Code, the Plan contains certain other benefit distribution rules. First, if you die after payment has commenced, the payments to your beneficiary must be made at least as rapidly as provided in the form of payment being made at the time of your death.

Second, if your death occurs before distribution of your benefits has begun, and distribution of your benefits are payable to a designated beneficiary, the distribution may be made over the life (or life expectancy) of the designated beneficiary, but payments must commence on or before December 31 of the year immediately following the year in which you died. If your spouse is the beneficiary, however, he or she does not have to commence receiving benefits until the April 1 following the year you would have attained age 70-1/2.

C. Rights of Former Spouse - Domestic Relations Orders

If you are divorced your former spouse may be entitled to a portion or all your pension. The Plan is required by federal law to comply with a court order that awards a portion or all your pension benefits to a former spouse, child or other alternate payee if the order qualifies as a Qualified Domestic Relations Order ("QDRO") as defined in ERISA. A QDRO is a court order that creates or recognizes the existence of a former spouse's or child's (or other alternate payee's) right to receive all or a portion of your accumulated pension benefits. Benefit payments to a former spouse

under a QDRO may not begin until the earliest date that the Participant would be eligible to receive a payment from the Plan (if permitted by the QDRO).

When you file your Pension application, you are required to provide the Plan Office with information on any pending or prior divorce action (even old divorce orders). This includes a Final and/or Interlocutory Judgment, marital settlement agreement and any related documents.

You, your spouse or former spouse may request the Plan's procedures for handling domestic relations orders which includes a sample order containing language acceptable to the Plan. You or your attorney (or your spouse or her attorney) may submit a proposed QDRO to the Plan's legal counsel prior to submission to a court. Counsel will then provide notice of any required changes.

WARNING: PENDING DIVORCE MAY AFFECT YOUR PENSION

Unresolved disputes regarding a divorce and your pension benefits may delay payment of your pension.

If the Plan is notified of a pending divorce action or receives a court pleading known as a "Joinder Request" or a similar document, the Plan has the discretion to delay paying your Plan benefits for a reasonable period to allow time for the parties to prepare a QDRO, even if your pension application is on file. If it appears that your former spouse or other alternate payee is seeking only a portion of your pension, the Plan may, at its discretion, distribute to you that portion of your pension benefit that is not addressed by the pending QDRO. Moreover, if a spouse or other person fails to pursue a QDRO in a timely manner, the Plan may proceed with a distribution.

D. Your Benefits Cannot be Assigned in Most Situations

You may not borrow against or otherwise pledge any part of your Accrued Benefit as security or collateral for a loan or otherwise transfer your rights. Your pension is exempt from claims of creditors, such as garnishments or executions, except for certain divorce and child support orders as set forth in Section C above and certain Internal Revenue Service liens.

E. Overpayments Recoverable by the Plan

As a Participant or beneficiary, you are entitled only to the amount and form of benefits described in the Plan document, as amended from time to time. **If you receive an improper amount or benefit from the Plan and you become aware of that fact, the Plan requires that you notify the Plan Office of the overpayment and repay the excess amounts.**

If you or any beneficiary receives an overpayment of benefits, the Plan will reduce or offset any future benefits to recover the overpayment, unless other arrangements can be made to the satisfaction of the Board of Trustees for the recovery of the overpayment. The Plan will withhold at least 25% of your pension payments until the overpayment is recovered by the Plan and to the

extent permitted by law, the Plan may withhold up to 100% of your monthly payments until an overpayment is recouped. The Plan is also authorized to offset lost earnings on the overpayments and reimbursement to the Plan for any attorney fees and costs incurred by the Plan because of the overpayment. The Plan may also file a claim against your estate or any other person or entity if amounts are still owed at your death and there are insufficient funds, including any death benefits payable to your beneficiary, to recover the overpayment. Any funds owed by a Participant to the Plan will be deducted from any benefits that may be payable because of the Participant's death.

IX. RETURNING TO WORK--BENEFIT SUSPENSION

When you retire, you will be required to sign a form stating that you have read and understand the Plan's benefit suspension rules. If you are receiving a pension benefit from the Plan, your benefits will be suspended in certain circumstances, as explained below:

A. Prohibited Employment in Masonry, Terrazzo and Marble Construction Industry

1. No Work Prior to Age 62. If you return to work after your retirement, your benefits may be suspended during the time you are working. Your benefits will be suspended if you return to any work in the Masonry, Terrazzo and Marble Construction Industry in the geographic area covered by the Plan before you reach age 62. **Moreover, you will not be eligible to retire again and commence receiving a monthly pension until you reach age 62.**

The term "Masonry, Terrazzo and Marble Construction Industry", as used in this Plan, means all branches of the masonry trade or craft covered by this Plan and includes employment of any kind (including self-employment) for, any person, corporation, partnership, joint venture or other entity, performing work in the masonry, terrazzo and marble construction industry. The Masonry, Terrazzo and Marble Construction Industry includes any and all branches of the masonry trade or crafts covered by this Plan, including, by way of example, but not limited to, all forms of construction, maintenance, repair and renovation utilizing brick, stone, concrete block, marble, plaster, mosaic, tile, terrazzo, terra cotta, glass block, refractory materials, pointing- cleaning-caulking work, the installation of all forms of masonry panels including off-site and/or on-site fabrication, all integral elements of masonry construction and all forms of substitute materials or building systems. Prohibited Employment includes, but is not limited to, working as a bricklayer, stone mason, tuck pointer, caulker, cleaner, corklayer, blocklayer, tile layer, tile finisher, marble mason, marble finisher or shopworker, marble/metal refinisher, refractory worker, terrazzo worker, terrazzo finisher, foreman, supervisor, estimator, salesman, or consultant in the Masonry, Terrazzo and Marble Construction Industry, or in any other industry in work involving any masonry knowledge you have acquired as an Employee.

Such work, known as "prohibited employment", includes, but is not limited to, (1) work in employment of the type performed by Employees covered by the Plan, also known as "Covered Employment;" (2) work which requires directly or indirectly the use of the same skills used by Employees covered by the Plan on the date the Pension became effective; (3) work in employment for compensation or wages of any kind or for profit in the Masonry, Terrazzo and Marble Construction Industry in the geographic area covered by the Plan; (4) work where you supervise Employees in the same trade or craft or directly or indirectly use the same skills as Employees covered by the Plan on the date you retire.

For purposes of determining whether you have been employed in Prohibited Employment, "hours" or "hours of service" include all hours for which you receive or are entitled to compensation whether for actual work, illness, incapacity (including disability) or layoff.

"Prohibited Employment" is interpreted in the broadest manner. It includes employment in which a salary is paid (which includes payment based on an hourly, daily, weekly, bi-weekly, bi-monthly, monthly, annually or any other rate), work in which you are considered an "independent contractor," work in which you receive a deferred benefit, or work in which you receive anything of value (or will receive anything of value) in exchange for the services rendered.

2. Limited Work Allowed After Age 62. After your Normal Retirement Date (the first of the month after attainment of age 62), your benefits will be suspended if you return to work for 40 or more hours per month in the Industry in California. This includes but is not limited to:

(a) the type of work performed by Employees covered by the Plan on your Effective Retirement Date; or

(b) which requires directly or indirectly the use of the same skills employed by Covered Employees on your Pension effective date; or

(c) any supervision of Employees in the same trade or craft or directly or indirectly using the same skills as Employees covered by the Plan on the date you retired. This includes self-employment, salaried, hourly and independent contract employment.

B. Presumptions

If you are retired and receiving pension benefits under the Plan, you must immediately report to the Plan in writing any employment in the Masonry, Terrazzo and Marble Construction Industry. If you do not report your employment, and the Trustees discover you have been working in the Industry, they will act on a rebuttable presumption that you have been working at least 40 hours per month.

If the Board of Trustees learns that you worked in the Masonry, Terrazzo and Marble Construction Industry employment at a job site, the Trustees will presume you have been employed at the job site with the same Employer for as long as the Employer has been working at that job site. You will, however, have the opportunity to prove these presumptions are not true.

C. Access to Information

If requested, you must provide the Plan with documents or other information to verify employment, such as time sheets, logs or records, income tax returns (including attachments), W-2 forms, and any other employment or income-related records. You must also comply with any request of the Plan that you request information from an Employer, contractor, subcontractor, union, government agency or any other person or entity relating to post-retirement employment.

D. Request Determination

You may request of the Board of Trustees a determination whether specific contemplated employment will be prohibited under the Plan. The Board of Trustees will provide you with its determination within a reasonable time, not to exceed ninety (90) days, unless the Trustees have not been provided with sufficient information to make such a determination or unless special circumstances exist.

E. Notices

1. Suspension Rules. When you retire, the Plan office provides a summary of the Plan's rules on Suspension of Benefits. If benefits have been suspended and payment resumed, a new notification shall, upon resumption, be given to the Retiree if there is any material change in the suspension rules.

The Plan will notify you by first class mail if it suspends your pension. The notice will include a description of the specific reasons for the suspension, a general description of the Plan provision relating to the suspension of benefits (as summarized herein), and a statement that the applicable Department of Labor (DOL) regulation allowing such suspension may be found in the Code of Federal Regulations. A copy of DOL regulation 2530.203-3 is available upon written request of the Plan Office.

You are entitled to a review of the Plan's decision to suspend your benefits by submitting a written request with the Plan within 60 days of the date of the suspension notice. The Plan's claims and appeal procedure, as summarized in Article XIII on pages 18-19 applies to a suspension of benefits.

2. Your Obligation to Notify Plan. You must notify the Plan Office in writing immediately after you start in work of a type that is or may be prohibited under the Plan (or before starting). If your monthly payments have been suspended, you should notify the Plan when your prohibited employment has ended. The Plan may continue to withhold your pension until you provide written notice to the Trust Fund Office.

F. Payment Resumption

If you are employed in Prohibited Employment, your pension payments will be suspended for a period equal to the number of months during which you were employed in Prohibited Employment. If you fail to give written notice to the Plan within 15 days after you commence such employment, your pension payments will be suspended for three additional months which follow the period of such employment.

If the Plan has paid you a monthly pension for any month in which you engaged in Prohibited Employment, the Plan may offset such amounts from future monthly payments. In making such deductions the Plan may reduce your future monthly pension payments by 100% for the first three months of any pension payment to which you would otherwise be entitled and up to 25% of future monthly payments until the full amount of overpayment is recovered. The Plan will have the right to demand reimbursement for overpayments made prior to the Plan learning of your prohibited employment. The Plan will also be entitled to reimbursement for attorneys' fees and costs incurred by the Plan in the enforcement of these rules.

X. DEATH BENEFITS/PRERETIREMENT SURVIVOR BENEFITS

A. PRERETIREMENT SURVIVOR ANNUITY – GENERAL

1. Eligibility for Preretirement Annuity and Timing of Payment. A married Participant with a nonforfeitable vested right in his pension and who has not retired or received a distribution from the Plan, is entitled to have a Preretirement Survivor Annuity paid to his surviving lawful spouse if he dies before retirement. This Preretirement Survivor Annuity is payable to his surviving lawful spouse the first day of the month after the date the Participant would have attained age fifty-five or such other date the Participant would have been entitled to receive such benefit.

2. Amount of Benefit. If a married Participant has accrued sufficient Pension Credit to thereafter retire on a Normal, or Early Retirement Pension, but has not attained the Earliest Retirement Age he could to retire under the Plan, the Participant's surviving spouse will receive the same benefit that would be payable if the Participant had: (a) separated from service on the date of death; (b) survived to the Earliest Retirement Age; (c) retired with an immediate Qualified and Joint Survivor Annuity at his Earliest Retirement Age, and; (d) died on the day after his Earliest Retirement Age.

XI. DEFERRAL OF TAXES/WITHHOLDING/ROLLOVERS

A. Deferral of Taxes

An advantage of this Plan is that non-taxed employer contributions to the Plan accumulate non-taxed earnings for your retirement. **You will pay taxes only when you receive your benefits.** The amount of taxes you will owe will depend on when and how your benefits are paid to you and based on the tax laws in effect at the time.

Due to the complexity and frequency of changes in the federal laws that govern benefit distributions, penalties and taxes, the following is only a brief explanation of the law and IRS rules and regulations as of the date this summary is issued. You will receive additional information at the time of your benefit distribution. **Regardless, you should consult your tax advisor to determine your personal tax situation before taking a distribution from the Plan.**

Congress passed a law imposing a 10% penalty on early lump sum distributions, except for distributions because certain disabilities, death, and at age 55 or older because a termination of employment, among other reasons. Thus, if you receive a lump sum distribution of any share of Plan interest prior to age 55, the IRS could assess a 10% penalty and the State of California a 2.5% penalty on the distribution. The penalty applies if you default on a loan or receive disability benefits but are not totally disabled as defined in the Internal Revenue Code. The California Franchise Tax Board assesses a 2-1/2% penalty for the same reasons.

The Plan is required by federal law to withhold for taxes 20% of certain lump sum and other distributions from the Plan (see section B below). For monthly or other periodic payments, federal income tax will be withheld unless you elect otherwise.

ALERT - AGE 70-1/2 REQUIREMENT

The IRS will assess a severe penalty against you if you do not begin receiving your benefits by April 1 of the year following the year you attain age 70½ or the date you retire, whichever is later.

B. Tax Withholding Rules on Pension Payments

Federal income taxes are withheld at the rate of 10% from your pension payments unless you elect otherwise. Certain states also require withholding. You will owe income tax on the distribution

When you retire, you must notify the Plan Office on the appropriate Plan forms whether you wish tax withholding. (As explained in Section C of this Article, tax withholding is required for certain distributions.) **You may want to consult with a tax advisor to discuss your payment and withholding options and the tax consequences of a distribution.**

WARNING REGARDING INSUFFICIENT TAX WITHHOLDING

(Potential of Being in Higher Tax Bracket)

The federal and state tax withholding on your pension payment may be insufficient to meet your tax obligations, particularly if you take a large partial or total distribution from the Plan. **The Plan distribution, which may have the effect of increasing your taxable income, may, in many instances, place you in a higher tax bracket requiring a tax payment of much more than the 20% or smaller tax withholding (plus there may be a greater state tax).**

Participants who choose to take a distribution are responsible for satisfying the IRS' distribution rules and any tax consequences of the distribution. Distributions to Participants are reported annually on IRS Form 1099R, which is sent to you (and the IRS) in January following the calendar year in which the distribution was issued.

C. Electronic Deposit of Pension Payments.

To increase efficiency and to reduce the possibility of theft, the Trust Fund Office may require that a Participant or beneficiary have his monthly benefit directly deposited electronically into his checking or savings account at a bank, savings and loan, credit union, or other financial institution. The Plan may require that a Participant or beneficiary complete a direct deposit authorization form and return it to the Trust Fund Office to identify the financial institution which will receive the electronic deposit.

XII. POTENTIAL LOSS OR DELAYED PAYMENT OF BENEFITS

You or your beneficiary could suffer a loss in the value of your Accrued Benefit or have payments delayed in at least the following circumstances:

1. **Break in Service.** If you incur a permanent Break-in-Service, your previously earned Pension Credits and Credited Service are cancelled.

2. **Not Vested.** If you failed to work at least five years of Covered Employment on or after January 1, 1998, you will not be eligible for a pension benefit under the Plan. Prior to that time, there were more stringent vesting rules.
3. **Divorce or Child Support Order ("QDRO").** Pursuant to a Qualified Domestic Relations Order, a Court may award a spouse, former spouse, child or other dependent a portion or all your Benefit Payment amount. Payment may also be required by a Court order to be paid to a county or state child support agency. Moreover, the Plan assesses a \$500 QDRO administration fee, which is usually shared between the parties (\$250 each).
4. **Fail to File Complete Application.** If you fail to file a completed application or other forms required by the Plan Office, there will be a delay in the payment of your benefits.
5. **Incomplete Information/False Statements.** If you fail to provide information or give false information to verify disability, age, beneficiary information, marital status or other vital information, payment of your pension will be delayed or stopped.

If you make a false statement to the Plan or other officials regarding the payment of benefits or other issues related to the Plan, you will be liable to the Plan for any benefits paid in reliance on such false statements or information, and any attorney fees and costs incurred in effecting recovery or which were incurred as a result of the false statement or information. This includes but is not limited to costs incurred by the Plan Office, reasonable attorney fees and interest charges. The Plan may deduct any such fees and costs from any benefits otherwise payable to you, a beneficiary, your estate or other persons.

6. **Disappear/Returned Mail.** If the Plan Office is unable to locate you for five years (for example, your annual statement is returned in the mail and the Plan does not have your address), the Plan may close your account. Moreover, no death benefits are payable if your beneficiary does not apply for such benefits within 12 months following your date of death. It is your responsibility to notify the Plan of any new mailing address. The Plan uses the address on file as the address of record for you and your beneficiaries. Failure to keep your address current could reduce or postpone payment of your benefits.
7. **Benefit/IRS Contributions Limits.** The annual Employer contributions to the Plan on your behalf cannot exceed the maximum amount allowed by the Internal Revenue Code and applicable IRS regulations. Although the Board of Trustees does not foresee this occurring, the Plan contains provisions to address this situation.
8. **Prohibited Employment.** If you are under age 62 and you perform ANY work in the Masonry, Terrazzo or Marble Construction Industry after your retirement that is not approved by the Board of Trustees, your pension benefits will be suspended. If you are age 62 or older, you may only work 40 hours in the same industry without having your pension benefits suspended.
9. **Refund Overpayments.** If the Plan mistakenly makes an overpayment to you or your beneficiary, you or your beneficiary will be required to reimburse the Plan. Moreover, if the Plan is forced to incur legal fees and costs to recover an overpayment, you and/or your beneficiary will be responsible for such fees and costs.

XIII. CLAIMS AND APPEAL PROCEDURE

A. Claims and Appeal Procedure

The Plan, which is available for review by appointment at the Plan Office, or upon written request of the Plan Office, contains a claims and appeal procedure that must be followed. Be sure to read the claims procedure carefully before filing a claim or a lawsuit regarding your pension or the Plan.

The purpose of the claims procedure is to make it possible for claims and disputes to be resolved fairly and efficiently without necessitating costly litigation and attorneys' fees. **No lawsuit affecting the Plan may be brought unless the Plan's appeal procedure is followed.**

B. Denial of Claim and Appeal Rights

Under the procedures set forth in the Plan and as is required by ERISA, if your claim for a pension benefit is denied in whole or in part, you will receive a written denial letter including the specific reason for the denial. You then have the right to appeal the denial to the Board of Trustees.

To have your claim reviewed if you or any beneficiary disagrees with any act, omission or decision by the Plan, you must file with the Plan Office a written appeal within 60 days of your receipt of the Board's denial of your claim or other adverse action. Your appeal must state the specific reason the denial of the claim or other adverse action was in error. **If you fail to submit your written appeal within that period, there will be no review of your claim.**

You may submit supporting documents or records, and you may examine Plan records pertinent to your dispute. You have the right to representation throughout the review procedure.

A review of your appeal will be held, and a decision rendered by the Board of Trustees by the next regularly scheduled Trust meeting, unless the appeal is received within thirty days of such meeting or special circumstances exist requiring additional time. There is no right to be present at an appeal meeting or hearing.

The decision on review will be in writing and, if your appeal is denied, will include specific reason(s) for the denial.

C. Disability Claims and Appeals

Appeals involving disability claims and/or determinations are required to be reviewed within 45 days of the Plan's receipt of the appeal unless special circumstances exist. An extension of time not exceeding 30 days may be necessary due to matters beyond the control of the Plan. The notice of extension will include in addition to the reasons for the denial, the standards on which entitlement to the benefit is based; the unresolved issues that prevent a decision on the claim and the additional information needed to resolve those issues. The Claimant would have at least forty-

five (45) days to provide the specified information, if any. The deadline for the Board of Trustees to render its decision is tolled from the date on which the notification of the extension is sent to the Claimant until the date a response from the Claimant is received.

Any notice of an adverse benefit determination shall include, in addition to the reasons for the denial (1) the specific rule, guideline, protocol, or other similar criterion, if any, relied upon in making the determination (if applicable); and (2) an explanation of the scientific or clinical judgment for the determination if the adverse benefit determination was based on medical necessity or other similar exclusion or limitation.

If the application for benefits of a claim is denied, the Claimant or the Claimant's duly authorized representative may petition the Board of Trustees for review of the decision. The petition for review shall be filed by the Claimant or the Claimant's duly authorized representative with the Plan Office within one hundred and eighty (180) day of receipt of the notification of adverse benefit determination.

The Claimant shall have access to relevant documents, records and other pertinent information, including any statement of policy or guidance with respect to the Plan concerning the denied treatment option or benefit for the Claimant's diagnosis, without regard to whether such advice or statement was relied upon in making the benefit determination. The Board of Trustees will not afford any deference to the initial benefit determination. If the adverse benefit determination is based in whole or in part on a medical judgment, the Board of Trustees shall consult with a health care professional with appropriate training and experience in the field of medicine involved in the medical judgment. Such consultant shall be different from any individual consulted in connection with neither the initial determination nor the subordinate of any such person.

The Claimant shall be notified of the decision of the Board of Trustees in writing. Any notice of adverse benefit determination shall include, in addition to the reasons for the denial, (1) the specific rule, guideline, protocol, or other similar criterion, if any, relied upon in making the determination; and (2) an explanation of the scientific or clinical judgment for the termination if the denial was based on medical necessity or other similar exclusion or limit.

D. One Year Limitation Period for Filing Lawsuits

Upon exhausting the above claims and appeal procedures, if you are still not satisfied, your next step is to file a lawsuit if you, so desire and such lawsuit is permitted under ERISA. **No legal action may be commenced or maintained against the Plan, a Trustee, the Board of Trustees, or other person or entities involved with the denial or decision on appeal more than ~~two~~ one years after the determination of your appeal by the Board of Trustees, or if not a formal appeal, one year after the act or omission of which you are questioning.**

XIV. AMENDMENT/TERMINATION/MERGER OF PLAN

A. Amendment of Plan

The Board of Trustees may amend the Plan at any time.

Any amendment may apply to all groups and/or Participants covered by the Plan or only to certain groups of Participants. Retroactive amendments may be made to the extent permissible under

ERISA and other applicable law. Except as permitted or required by applicable law, an amendment may not divest accrued benefits that have previously been vested.

B. Merger or Consolidation or Transfer of Assets

In the event of a merger or consolidation of the Plan with or transfer in whole or in part of the assets or liabilities of the Plan to any other pension plan, each Participant is entitled to a benefit immediately after the merger, consolidation or transfer which is at least equal to the benefit such Participant would be entitled to receive before such merger, consolidation or transfer. The Plan will accept the transfer of assets from another Plan upon approval of the Board of Trustees.

C. Termination of Plan

The parties to the collective bargaining agreements between Bricklayers Local No. 16 and the various Employer associations may terminate the Plan in whole or in part. Although there is no intent to terminate the Plan, there is no guarantee that the Plan will last forever.

In the event of termination or partial termination of the Plan, each Participant would be 100% vested. The assets are not returned to any Employer.

D. Benefit Guaranty/PBGC Guarantees Certain Benefits

If the Plan were to terminate, Plan benefits are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. Currently the Plan pays an annual insurance premium of \$2.60 per participant to the PBGC. The PBGC does not, however, guarantee all types of benefits and the amount of guaranteed benefit protection is limited.

Under PBGC's multiemployer plan termination program, the PBGC provides financial assistance through loans to Plans that are insolvent. A multiemployer plan, such as your Plan, is considered insolvent if the Plan is unable to pay benefits (at least equal to the PBGC's guaranteed benefit limit) when due. Before a Plan receives financial assistance from the PBGC, it must suspend payments more than the guarantee level.

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. Thus, the maximum annual guarantee for a pensioner with 30 Years of Service would be \$12,870. **These amounts could change in the future.**

The PBGC guarantees vested benefits at the level in effect on the date of Plan termination subject to the maximum limits set forth above. If, however, benefits have been increased within the five years before Plan termination or insolvency, the whole amount of the Plan's vested benefits or the benefit increase that has been in effect for less than 12 full months before the Plan terminates may not be guaranteed.

The maximum PBGC guarantee is lower if benefits begin before age 65, if benefits are paid in a form other than a straight life annuity and for certain disability and survivor benefits. Non-vested Benefits are not guaranteed by the PBGC.

For more information on PBGC insurance protection and its limitations, you may contact the PBGC as follows:

PBGC's Technical Assistance Division
1200 K Street, N.W., Suite 930
Washington, D.C. 20005-4026.

You may also phone the PBGC at 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 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>.

XV. ADDITIONAL INFORMATION REQUIRED BY ERISA

A. Name and Type of Plan

The name of the Plan is the Bricklayers Local No. 16 Pension Plan ("Plan"). The Plan is a defined benefit pension plan exempt from income tax under Section 401(a) of the Internal Revenue Code.

B. Plan Administrator

The Board of Trustees is the Plan Administrator of the Plan. The Board of Trustees is responsible for ensuring that information regarding the Plan is reported to governmental agencies and disclosed to Plan Participants and beneficiaries in accordance with ERISA.

C. Agent for the Service of Legal Process

The person designated as agent for service of legal process is:

Richard K. Grosboll
Neyhart, Anderson, Flynn & Grosboll
369 Pine Street, Suite 800
San Francisco, CA 94104-3323

Service of legal process may also be made upon the Plan Administrator, Plan Trustee, or the Board of Trustees, at the addresses listed on page iii iv of this booklet. (Address of counsel and others listed herein may change in the future. You may consult with the Plan Office for current addresses.)

D. Plan Year

The Plan Year commences on July 1 and ends on June 30.

E. Employer Identification Number

The Internal Revenue Service Employer Identification Number (EIN) for this Plan is 94-6287225. The Plan Number is 001.

F. Funding Contributions and Collective Bargaining Agreements and Fund Medium

The Plan is maintained in accordance with collective bargaining agreements between the Bricklayers Local No. 3 and certain designated Employer associations (and some individual Employers), which require Employers to contribute to the Plan. There are no employee contributions to this Plan. The Plan Office will provide you upon written request with information on whether an Employer for whom the Participant is employed is contributing to the Plan and, if the Employer is a contributor, the Employer's address.

G. Fund Medium

Assets of the Plan are held in Trust. Plan assets are held in custody by Bank of New York. The Board of Trustees has delegated to Investment Performance Services the Plan's Investment Consultant, with the responsibility for investing the Plan's assets.

STATEMENT OF ERISA RIGHTS

A. Your Rights as a Participant. As a Participant in the Bricklayers Local No. 16 Pension Plan ("Plan"), you are entitled to certain rights and protections under the employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that Participants are entitled to:

- Examine without charge at the Plan Office and at other specified locations such as worksites and the union office, documents governing the Plan, including collective bargaining agreements and the annual report (Form 5500 series) filed with the Department of Labor.
- Obtain copies of Plan documents and other information required by law to be furnished upon written request to the Plan. Pursuant to ERISA, the Plan Office may require that you pay a reasonable charge for the copies.
- Receive a statement showing the value of your pension benefits once a year, upon written request.

B. Prudent Action by Fiduciaries. In addition to creating rights for Plan Participants, ERISA imposes duties upon the people responsible for operating the Plan. The people who operate your Plan, called "fiduciaries," 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 or entity, 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.

C. Enforcing Your Rights. If your claim for a pension benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request certain documents (specified in ERISA) from the Plan and do not receive them within 30 days, you may file suit in 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.

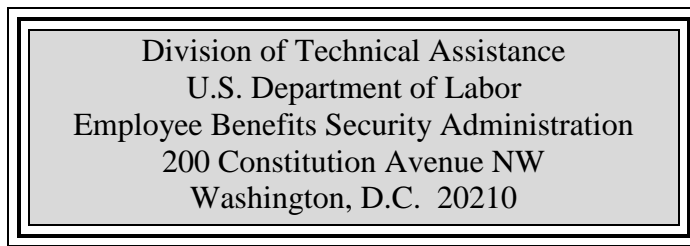
If you have a claim for benefits that is denied or ignored in whole or in part, and which is upheld on appeal (or ignored), you may file a lawsuit. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file a lawsuit. As summarized on page 25 of this booklet, **any lawsuit must be filed within two one years of the Trustees' determination of your appeal or otherwise.**

If Plan fiduciaries misuse the Plan's money or other assets, 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.

If you file a lawsuit, the court may decide who should pay court costs and legal fees. If you are successful, the court may order the person(s) you have sued to pay your costs and fees. If you

lose, the court may order you to pay the Trust's or other defendants' costs and fees (e.g., your claim was frivolous).

D. Assistance If You Have Questions. If you have any questions about this statement, the Plan or about your rights under ERISA or if you need assistance in obtaining Plan documents you should contact the nearest office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory (or which can also be found at the EBSA website at http://www.dol.gov/ebsa/aboutebsa/org_chart.html) or:



You can call the Employee Benefits Security Administration at (966) 444-3272; TTY/TDD users: (877) 889-5627. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security administration.

You may find answers to your question and a list of EBSA offices at <http://www.dol.gov/ebsa/welcome.html>.