LABORERS' DISTRICT COUNCIL PENSION AND DISABILITY TRUST FUND NO. 2

Effective April, 2007

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PLAN HIGHLIGHTS

This booklet contains a summary of the major features of the Laborers' District Council Pension and Disability Trust Fund No. 2 (the "**Plan**"), which was created mainly to help make your* retirement more secure. The **Plan** also provides benefits under certain conditions--if you should become disabled, retire, die or stop working for employers who participate in the **Plan**. (Whenever a word or phrase is in bold face, it is defined in the **Plan** definition section).

This summary applies only to **employees** who are actively employed after December 31, 1997 for an employer who contributes to the **Plan**. If you retire or have a **break in service** before **service** before January 1, 1998, different rules apply for you. You should call the **Plan Administrator**.

If you work under a participation agreement or a collective bargaining agreement between a **participating employer** and the Laborers' District Council of Baltimore/Washington Laborers' District Council (or one of its affiliated local unions), which provides that contributions will be made to the **Plan** on your behalf, you may qualify for:

- Normal retirement benefits after you satisfy certain age and service rules (see page 11).
- **Unreduced early retirement benefits** at retirement if you are a **participant** with 25 years of **combined service credit** (see page 12),
- **Deferred vested retirement** if your employment with a **participating employer** ends after you have met the minimum service requirement (see page 12),
- **Postponed retirement benefits** if you continue working beyond your **normal retirement age** (see page 12), or
- **Disability retirement benefits** if you satisfy the rules for total and permanent disability (see page 12), or

The **Plan** also provides protection to your survivors upon your death. If you should die before retirement or after payments begin, your designated **beneficiary**** may qualify to receive a **lump**

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* ***As used in this Summary Plan Description, the terms "you", "your", and "yours" refer to an individual that otherwise satisfies all of the eligibility and participation requirements under the terms of the Plan. Receipt of this Summary Plan Description does not guarantee that the recipient is in fact an eligible participant under the Plan or otherwise eligible to receive benefits under the Plan.***

** ***As used in this Summary Plan Description, the terms "your designated beneficiary" and "your spouse" refer to an individual that qualifies as a designated beneficiary or spouse, whichever the case may be, under the terms of the Plan and are otherwise eligible for coverage under the terms of the Plan. Receipt of this Summary Plan Description does not guarantee that the recipient is in fact an eligible participant, a designated beneficiary of an eligible participant, or the spouse of an eligible participant under the Fund is otherwise eligible to receive benefits under the Plan.***

sum death benefit (see page 4). If you are married and die before retirement, your spouse may qualify to receive a pre-retirement **annuity**.

You are encouraged to read this booklet and keep it for future reference. It presents information about the **Plan** in two "layers":

The beginning of each major section has a short paragraph in **boldface print** that summarizes key facts. You can read these introductions for the highlights of the various **Plan** features.

- Following the boldface summary, the balance of each section contains additional details on that subject.

Please keep in mind that this summary **Plan** description was written to be easily understood, without using the technical words in the legal documents that govern the **Plan**. Every effort has been made to accurately describe the **Plan** in this summary. However, if there should be a discrepancy between this summary and the Plan document – or if the **Plan** is required to operate in a different manner to comply with federal laws and regulations – the **Plan** document or the appropriate federal laws and regulations will control.

Please read this summary plan description carefully. It is important that you understand the **Plan** requirements and benefits that the **Plan** can provide for you and your family. You are encouraged to contact the **Plan Administrator** with any questions you may have about the **Plan** and how it's administered. The **Plan Administrator** will help you identify the rules of the **Plan** and will refer you to relevant sections in this booklet. Only the Board of Trustees, however, is authorized to interpret the rules and the benefits set forth herein. No employer, union or representative of any employer, or union acting in such a capacity is authorized to interpret this **Plan**, nor can any person act as an agent for the Trustees regarding questions of interpretation.

You may examine the **Plan** document, **Trust** agreement and supporting documents-and obtain copies by paying a copying fee – at the office of the **Plan Administrator**:

Carday Associates, Inc.
4600 Powder Mill Road, Suite 100
Beltsville, MD, 20705-2675
(301) 937-9300

DEFINITIONS OF IMPORTANT TERMS

One of the things that makes this booklet easier to understand is definitions of key terms. These terms have very special meanings in explaining how the **Plan** works. These terms appear in the text in bold. When in doubt, refer to these definitions.

Annuity

A monthly payment for life. The **Plan** provides for retirement benefit payments in the form of a single life **annuity**, in which payments last for your lifetime; a joint and survivor **annuity**, in which payments last for two lifetimes-yours, and after your death, your spouse's; and a 10-year certain **annuity**, which guarantees at least 10 years of payments.

Beneficiary

The person you name to receive any benefits that may be payable when you die. If you are married, your **beneficiary** is automatically your spouse. If the pension option you select allows you to name someone other than your spouse to receive your retirement benefits, your spouse must agree and provide written consent that is either notarized or witnessed by a **Plan Administrator** representative. If you are not married, you need to name a **beneficiary**.

Benefit rate

The **Plan** Trustees establish a **benefit rate** for each year of service. Each year's **benefit rate** is multiplied by **credited service** earned in that year, and then added up to determine your total benefit. If you have a **break in service**, your **benefit rates** are frozen at the rates in effect at the time of the **break in service**.

Break in service

An interruption in your service. If you do not perform at least 200 **hours of work** during a **plan year** for a **participating employer**, you have a **break in service**. A **break in service** will affect the calculation of your benefit and, if it is permanent, could affect your eligibility to receive any benefit. See page 23 for the rules about when a **break in service** becomes permanent.

Combined service credit

The total of **credited service** under this **Plan** and service credit accumulated under other plans recognized by the Trustees as related plans with reciprocal agreements with this **Plan.**

Covered employment

Work for an employer who is required by a collective bargaining agreement or a participation agreement to make contributions to the **Plan** on your behalf.

Credited service

Your time worked for a **participating employer** who contributes to this **Plan**. This is used to determine the amount of your benefits. **Credited service** is the total of your **past service credit** and your **future service credit** as follows:

> ***Past Service Credit* –** For **participants** formerly in **Plan No. 4**, this means hours of work from January 1, 1963 through December 31, 1967. For all other **participants,** this means service from January 1, 1954 through December 31, 1958.
>
> ***Future service credit* –** For **participants** formerly in **Plan No. 4**, this means hours of work from October 1, 1967 to the present. For all other **participants,** this means service from January 1, 1959 to the present.

Deferred vested retirement benefit

The benefit you may be entitled to receive at **normal retirement age** if your employment ends before retirement but after you complete five years of **vesting service credit** or after you reach age 40 and complete 10 years of **future service credit**.

Disability retirement benefit

The benefit you may be entitled to receive if you meet the **Plan's** requirements for total and permanent disability due to bodily injury or disease, and you have at least 10 years of **future service credit.**

Employee

A person who is covered by a participation agreement, or a collective bargaining agreement between the **Union** and a **participating employer**, which calls for contributions to be made to the Plan on his or her behalf.

Hour of work

An **hour of work** means each hour you are paid to work in **covered employment** by a **participating employer**, or for which you are entitled to payment from your employer for the performance of duties. An **hour of work** is also earned for each hour you are paid or entitled to payment from your employer but perform no duties from your employer, up to a maximum of 501 hours for any single continuous period. It also includes hours for which you are awarded back pay by your employer.

Lump-sum death benefit

A single payment which may be paid to your **beneficiary** upon your death, under certain circumstances. If you are an active **employee**, the benefit is $10,000. It is $5,000 for pensioners and other **participants** eligible for normal retirement or **deferred vested retirement benefits**.

Normal retirement age

The earlier of the date you reach age 62 and have earned five years of **vesting service** or the date your age and **future service credit** meet the requirements for normal retirement (see page 8). If you are an active **employee** and do not meet these requirements, the later of the date you reach age 65 or the fifth anniversary of the date of your participation in the **Plan**.

Participant

You become a **participant** in the **Plan** on the January 1 following the **Plan Year** you accrue 200 or more **hours of work** in **covered employment**. **Participants** include plumber laborers who participated in the old Fund No. 5 (which merged with the **Plan** in 1976) and sewer, paving, heavy and Mt. Olivet laborers. **Participants** also include laborers' who participated in the old Fund No. 3 which merged with the **Plan** effective January 1, 2005.

Participating employer

An employer who signs a participation agreement or a collective bargaining agreement with the **Union** and is required to make contributions to the **Plan** on your behalf.

Plan

The Laborers' District Council Pension and Disability Trust Fund No. 2.

Plan Administrator

The company that serves the Trustees in receiving contributions, maintaining **participant** records and processing applications for benefits from the **Plan**. Your **Plan Administrator** is:

Carday Associates, Inc.
4600 Powder Mill Road, Suite 100
Beltsville, MD 20705-2675
(301) 937-9300

Plan No. 3

The Laborers' District Council Pension and Disability Trust Fund No. 3, which merged with this Plan effective January 1, 2005.

Plan No. 4

The Laborers' District Council Pension and Disability Trust Fund No. 4, which merged with this **Plan** in 1976. **Participants** from **Plan No. 4** are differentiated for purposes of calculating service credit because the **benefit rates** for the two plans differed until 1968.

Plan year

The 12-month period, January 1 through December 31, which is the basis for administering all the rules of the **Plan**.

Trust

The **Trust** established to hold the assets of the **Plan** in trust for the exclusive benefit of the **Participants –** The Laborers’ District Council Pension and Disability Trust Fund No. 2.

Union

The Laborers’ District Council of Baltimore/Washington Laborers' District Council and its affiliated locals.

Unreduced early retirement benefit

Benefit payable without reduction based on **credited service** to early retirement after completing 25 years of **combined service credit**.

Vested

Your permanent nonforfeitable rights to your **Plan** benefits. Vesting requires you to have at least five years of **vesting service**.

Vesting service/vesting service credit

You earn one year of **vesting service** for each calendar year after December 31, 1957 in which you worked in **covered employment** for 1,000 or more hours.

PARTICIPATION AND COST

After you work 200 or more hours in covered employment during a Plan Year, you become a Plan participant the following January 1. The Plan costs you nothing.

Eligibility

If you are not already a **participant**, you become a **participant** in the **Plan** on the January 1 immediately following the year in which you perform 200 **hours of work** or more in **covered employment** for a **participating employer**.

Participation in the **Plan** is automatic. There are no forms to fill out in order to enroll. However, you do need to complete a **beneficiary** designation form that will be provided to you by the **Plan Administrator** soon after you become eligible, to indicate who you want to receive any available benefits in the event of your death.

Participating employers are required to make contributions to the **Plan** on behalf of their employees once those employees become **participants**. **Participating employers** pay the full cost for the **Plan** benefits provided to participants. **Employees** do not contribute to the **Plan**.

Reemployment

If you were a **participant** in the **Plan** when your employment ended, you become an active **participant** in the **Plan** again on the date you are rehired into **covered employment**. Your prior years of **credited service** may also be restored at that time (see page 8 for details).

HOW YOU EARN A BENEFIT

Your years of **credited service** determine the amount of your pension benefit. You receive a set monthly amount for each year of past service credit and each year of future service credit you have earned.

The amount of your monthly pension benefit is based on your **credited service**. You earn years of **credited service** based on bow many years of **covered employment** you have-years in which your **participating employers** make contributions to the **Plan** on your behalf

Your **credited service** is based on the sum of your **future service credit** and your **past service credit**, if any. The credit you earn for these periods of employment depends on your **hours of work**.

If you believe additional **hours of work** should be credited to you under the Plan, you will be required to provide the Plan Administrator with written evidence establishing that you completed the additional **hours of work**. You must provide the Plan Administrator with written evidence of your additional **hours of work** pursuant to the Plan's claims review procedures. See the section entitled "How to Appeal a Denied Claim" in this summary for additional information on the Plan's claims review procedures.

Future service credit

Future service credit gives you credit for the hours you are paid. You earn **future service credit** whenever you perform at least 200 **hours of work** in a year. One year of **future service credit** equals 1,600 **hours of work** or more. The chart below shows how your **future service credit** is calculated:

Time period	Hours of work during calendar year	Future service credit
Prior to 1970*	1,600+	1
	1,200-1,599	3/4
	800-1,199	½
	400- 799	1/4
	Less than 400	0
January 1, 1970 to present	1,600+	1
	1,400-1,599	7/8
	1,200-1,399	3/4
	1,000-1,199	5/8
	800- 999	½
	600- 799	3/8
	400- 599	1/4
	200- 399	1/8
	Less than 200	0

***Future service credits** for **participants** formerly in **Plan No. 4** started October 1, 1967. **Future service credits** for **participants** formerly in **Plan No. 3** started May 1, 1957 or December 31, 1957 dependent on the status of the participant under **Plan No. 3**. **Future service credits** for all other **participants** started January 1, 1959.

In any event, **future service credits** for a **participant** who formerly participated in **Plan No. 4** is determined by adding the **future service credits** earned by the **participant** under **Plan No. 4** <u>prior</u> to the merger of **Plan No. 4** into the **Plan** with the **future service credits** earned by the **participant** under the **Plan** <u>after</u> the merger of **Plan No. 4** into the **Plan**.

Likewise, **future service credits** for a **participant** who formerly participated in **Plan No. 3** is determined by adding the **future service credits** earned by the **participant** under **Plan No. 3** <u>prior</u> to the merger of **Plan No. 3** into the **Plan** with the **future service credits** earned by the **participant** under the **Plan** <u>after</u> the merger of **Plan No. 3** into the **Plan**.

Example: Assume Jack began working for a **participating employer** who contributed to the **Trust** on Jack's behalf. The following is Jack's work record:

1970 to 1972 Continuous employment with a **participating employer**, working 1,600 hours annually.

1973 Jack does not work for a **participating employer**.

1974 to 1987 Continuous employment with a **participating employer**, working 1,600 **hours of work** annually.

1988 to 1989 Work is down. He only worked 400 **hours of work** each year.

1990 to 2003 Continuous employment with a **participating employer**, working 1,500 **hours of work** annually.

Jack's future service credit

Years Worked	**Hours Worked Per Year**	**Calculation (Years Worked x Future service credit)**	**Credited Service**
1970 to 1972	1,600	3 x 1	3.00
1973	0	–	0.00
1974 to 1987	1,600	13 x l	13.00
1988 to 1989	400	2 x .25	.50
1990 to 2003	1,500	14 x .875	<u>12.25</u>
		Future service credit	28.75

Past service credit

Past service credit is granted for service with a **participating employer**, as follows:

For participants formerly in Plan No. 3

If you were formerly in **Plan No. 3** and were formerly in the Plumbers' Laborers' Pension and Disability Trust Fund at the time that fund was merged into **Plan No. 3**, past service is granted if you worked for a participating employer at any time during the period 1953 through 1957 and you worked 400 or more hours between October 1, 1967 and December 31, 1968. **Past service credit** is equal to four (4) times your employment credit (measured in terms of units of 1/4th year) earned during the period 1953 through 1957.

If you were formerly in **Plan No. 3** and were not formerly in the Plumbers' Laborers' Pension and Disability Trust Fund, past service is granted if you worked for a participating employer at any time during the period 1952 through 1956. **Past service credit** is equal to four (4) times your employment credit (measured in terms of units of 1/4th year) earned during the period 1952 through 1956.

For participants formerly in Plan No. 4

If you were formerly in **Plan No. 4**, past service is granted if you worked for a **participating employer** at any time during the period 1963 through 1967. Past service is also granted if you performed 400 or more **hours of work** between October 1, 1967 and December 31, 1968. **Past service credit** is equal to the greater of:

- Your years of continuous employment with a **participating employer**, or

- Your average period of employment with a **participating employer** in each year during the period from 1963 through 1967, multiplied by your years of continuous membership in the Plasters' Tenders Local Union No. 571. Your average period of employment is measured in units of one-fourth years, with the average being no greater than one year.

All other participants

Past service credit is granted if you worked for a **participating employer** at any time during the period 1954 through 1958. **Past service credit** is equal to four times your employment credit (measured in terms of units of one-fourth year) during the period 1954 through 1958.

For example, if you worked as a laborer for a **participating employer** before 1958, you would be entitled to **past service credits.** Your credit would be four times your length of employment between 1954 and 1958. Since this period is five years, the most **past service credit** you could earn for this time period is 20 years (five years x 4).

ELIGIBILITY FOR BENEFITS

There are five types of pension benefits provided under the **Plan**:

- **Normal retirement,**
- **Unreduced early retirement,**
- **Postponed retirement,**
- **Deferred vested retirement, and**
- **Disability retirement.**

To be eligible for benefits, you must meet certain minimum requirements, based on how long you worked for **participating employers** and, perhaps, your age.

If you do not have enough **credited service** to be eligible for benefits under the **Plan**, you may be eligible for a partial pension if you have service credit with a pension plan recognized by the Trustees.

Normal retirement

You are eligible to receive a normal retirement benefit if you are an active **employee** at the time you retire, and you have met certain age and years of service requirements. The amount of your monthly pension depends on the number of years you worked for **participating employers**, the employer contribution rates, and the **benefit rates** for those years at the time you retire.

When you are eligible for normal retirement

Your **normal retirement age** is the earliest date you meet any of the following conditions:

- You are age 62 and have at least five years of **vesting service credit**,
- The later of the date you reach age 65 or the fifth anniversary of your most recent date of participation in the **Plan**, or
- You have the minimum age and years of **future service credit** as follows:

Age	Years of future service credit
55	17
56	16
57	15
58	14
59	13
60	12
61	11
62	10

Unreduced early retirement

You are eligible to receive an unreduced early retirement benefit if you are a participant at the time you retire after completion of 25 years of combined service credit.

Note that if you had a **break in service** (see page 23) as of December 31, 1997, and again became a **participant** after that date, you are eligible for **unreduced early retirement benefits** at retirement after completing 25 years of **combined service credit**, as long as you earn two years of credit after December 31, 1997.

The amount of your pension benefit is calculated the same as for normal retirement based on your service credits at early retirement. The **unreduced early retirement benefit** shall be payable as of the first day of any calendar month after the completed application for benefits has been filed, once the eligibility requirements have been met.

Reciprocal service credits under a separate retirement plan recognized by this **Plan** as **combined service credit** count for determining eligibility for this benefit, but not for determining the benefit amount.

Postponed retirement

You may postpone your retirement and continue working beyond your **normal retirement age**. Your benefits will be calculated in the same way as for a normal retirement benefit with **credited service** recognized up to your date of actual retirement.

However, you must begin receiving your benefits from this **Plan** no later than April 1 following the year in which you reach age 70 ½, even if you are still working at that time; your benefit will be adjusted to reflect any additional service after age 70 ½.

Deferred vested retirement

Refer to page 12 of this document for details regarding deferred vested retirement.

Disability retirement

Refer to page 18 of this document for details regarding disability retirement.

Reciprocal rights with other plans

If you have service credit both under this **Plan** and other plans that have signed a reciprocal agreement with this **Plan**, you may be entitled to have such credit combined to determine if you’re eligible for pension benefits. This **Plan** has agreements with the Washington Area Carpenter’s Pension Trust Fund and certain other plans which signed the Laborer’s National Reciprocal Agreement. Generally, if your service under this **Plan** when combined with a reciprocal plan would make you eligible under both plans, each plan will pay a proportional share of your pension benefit.

When you apply for a pension, be sure to tell the **Plan Administrator** if you have service under any of these plans. The **Plan Administrator** will work with the other plans to calculate your benefits.

CALCULATING YOUR BENEFIT AMOUNT

Your monthly pension amount depends on:

- The pension plan you participated in when you earned your **credited service**,
- The number of years you worked for **participating employers**, and
- The **benefit rates** for those years at the time you leave employment.

In the charts below, the **benefit rates** are provided for **participants** who formerly participated in **Plan No. 4**, and for all other **participants,** excluding those **participants** who formerly participated in **Plan No. 3**. Refer to page 17 for the **benefit rates** of **participants** who formerly participated in **Plan No. 3**.

To calculate your pension benefit, you need to determine what years you worked, and the **benefit rates** in effect for those years based on the pension plan you participated in at the time. Then multiply the **credited service** earned in those years by the **benefit rate**. Any pension amount that is not a whole dollar amount will be rounded up to the next highest whole dollar amount

Benefit amount = Credited service x benefit rate

Benefit rates

The **benefit rates** used to calculate your pension benefit will be determined under the terms of the **Plan** as in effect at the time you leave **covered employment**. For purposes of determining your **benefit rates**, if you stop working for a **participating employer** and immediately work for the **Union** or an affiliate of the **Union**, you will be considered in **covered employment** until you stop working for the union or affiliate.

The following rates were effective for **participants** as of June 1, 2004. If you had a **break in service** in the past, different rates may apply to service before your **break in service**. You should call the **Plan Administrator** with any questions on the **benefit rates** in effect when you left **covered employment**.

Current Benefit Rate
The benefit rates for future service credit from June 1, 2004 is $62.25 payable monthly multiplied by the contribution rate in effect as of May 31, 2004 and multiplied by future service credits earned on and after June 1, 2004.

Based on the date you terminate, die, become disabled or retire, the rates in effect at that time are applied to the total **past service credits** and **future service credits** to determine your benefit. In each case, Plan 4 represents participants of Laborers' District Council Pension and Disability Trust Fund No. 4 prior to September 1, 1976.

The listing of more recent **benefit rates** and the years they were effective are:

	Past Service Rate	**Future Service Rate**
Effective January 1, 1989		
Plan 4	$3.00	$35.00
All other	$5.00	$35.00
Effective January 1, 1990		
Plan 4	$3.00	$40.00
All other	$5.00	$40.00
Effective April 1, 1993		
Plan 4	$3.00	$40.00 prior to 4/1/93 plus $50 times contribution rate times **future service credits** earned on and after April 1, 1993 with $40 maximum
All other	$5.00	Same

In addition, the benefits you have earned have been increased from time to time. These amounts are maintained by the **Plan Administrator** and can be provided to you on request when estimating your benefits.

Effective January 1, 1996	Benefits calculated on **past** and **future service credits** through December 31, 1995 are increased 10% and **future service credits** from January 1, 1996 and thereafter are equal to $55.00 multiplied by contribution rate multiplied by **future service credit** from January 1, 1996.
Effective January 1, 1997	Benefits calculated on **past** and **future service credits** through December 31, 1996 are increased 10% and **future service credits** from January 1, 1997 and thereafter are equal to $60.50 multiplied by contribution rate multiplied by **future service credit** from January 1, 1997.
Effective January 1, 1998	Benefits calculated on **past** and **future service credits** through December 31, 1997 are increased 3% and **future service credits** from January 1, 1998 and thereafter are equal to $62.25 multiplied by contribution rate multiplied by **future service credit** from January 1, 1998.

Effective June 1, 2004	**Future service credits** from June 1, 2004 and thereafter are equal to $62.25 multiplied by contribution rate multiplied by **future service credit** from June 1, 2004.

Example

Jack's benefit

Jack has been a **participant** in the **Plan** since 1980. He retired with 25 years of **future service credit**, and his employers contribution rate has been $0.90. His benefit as of December 31, 2005 is:

Years Worked	**Years x Rate x Contribution Rate**	**Benefit**
1980 – 12/31/95 Formula		
1980 - 4/1/93	13.333 x 40	$ 533.32
4/1/93 - 12/31/95	2.667 x 40*	106.68
Total		$ 640.00
1/1/1996 – 12/31/96 Formula		
1980 – 12/31/95 Benefit Increased 10%	640 x 1.10	$ 704.00
1/1/96 - 12/31/96	55 x .90 x1	49.50
Total		$ 753.50
1/1/1997 – 12/31/97 Formula		
1980 – 12/31/96 Benefit Increased 10%	753.50 x 1.10	$ 828.85
1/1/97 - 12/31/97	60.50 x .90 x 1	54.45
Total		$ 883.30
1/1/1998 – 12/31/05 Formula		
1980 – 12/31/97 Benefit Increased 3%	883.30 x 1.03	$ 909.80
1/1/98 - 12/31/03	62.25 x .90 x 6	336.15
1/1/04 – 12/31/05	62.25 x .90 x 2	112.05
Total Monthly Benefit		**$ 1,358.00**

*(50 x .90 = 45) which is capped at 40.

Keep in mind: In addition to a monthly benefit from the **Plan**, you may be eligible to receive Social Security benefits. Shortly before you reach age 62 (at retirement if you are at least age 62) you should contact the Social Security Administration about your benefits. The national office of the Social Security Administration can be reached at (800) 772-1213.

For Participants Formerly in Plan No. 3

If you are a **participant** who formerly participated in **Plan No. 3** the portion of your benefit accrued prior to June 1, 2004 is determined using the service crediting rules and benefit rates listed in **Plan No. 3** prior to the merger of **Plan No. 3** into the **Plan**. Your benefit accrued under the **Plan** is determined by adding your “Old Formula Benefit” and your “Transition Benefit” to your benefit accrued under the Plan, if any, post 2004. As a former participant in **Plan No. 3**, your benefit under this **Plan** is determined using the following formula:

Old Formula Benefit + Transition Benefit + Benefit Accrued Post 2004

Old Formula Benefit - Your “Old Formula Benefit” is the benefit you accrued under **Plan No. 3** as of December 31, 2003, prior to the merger of **Plan No. 3** into the **Plan**.

Transition Benefit – Your Transition Benefit is determined by pro-rating your future service credits earned during the 2004 **Plan Year**, if any, based on the number of **hours of work** you performed from January 1 – May 31, 2004 (“Pre-June, 2004”) and June 1 – December 31, 2004 (“Post-June, 2004”) as follows: (1) Pre-June, 2004 benefit rate is equal to $87 multiplied by the contribution rate in effect as of May 31, 2004 multiplied by **future service credit** earned for the 2004 **Plan Year** multiplied by “Pre-June 1, 2004 Fraction.” The “Pre-June 1, 2004 Fraction” shall be determined by dividing the number of **hours of work** performed from January 1, 2004 to May 31, 2004 by the total number of **hours of work** performed for the 2004 Plan Year; and (2) Post June 1, 2004 benefit rate shall equal $62.25 multiplied by the contribution rate in effect as of May 31, 2004 multiplied by **future service credit** earned for the 2004 Plan Year multiplied by a “Post-June 1, 2004 Fraction.” The Post-June 1, 2004 Fraction shall be determined by dividing the number of **hours of work** performed from June 1, 2004 to December 31, 2004 by the total number of **hours of work** performed for the 2004 Plan Year.

Post 2004 Benefit Rate - Effective June 1, 2004, **future service credits** for service earned on and after June 1, 2004 are equal to $62.25 multiplied by the contribution rate in effect as of May 31, 2004 multiplied by the **future service credit**s earned on and after January 1, 2005.

Please contact the Plan Administrator if you have any questions with respect to the determination under the Plan.

IF YOU ARE DISABLED

If you can no longer work because you suffer a total and permanent disability while working for a **participating employer**, and you have at least 10 **future service credits**, you may be eligible for **disability retirement benefits** under the **Plan**. Disability benefits are calculated the same way as normal retirement benefits, based on your **credited service**.

No disability benefits are payable until you file your application with the **Plan Administrator**. As soon as you apply for Social Security disability benefits, send your application for disability benefits from the **Plan** to the **Plan Administrator**, with a copy of your application for Social Security benefits.

How to qualify for disability benefits

You may retire with **disability retirement benefits** after earning at least 10 **future service credits** and meeting the qualifications for total and permanent disability listed below.

If you are an employee

If you are an **employee**, to be considered totally and permanently disabled under the **Plan**, you must:

- Be unable to engage in *any* occupation or employment for remuneration or profit due to the injury or disease,
- Be eligible for Social Security disability benefits as a result of the same injury or disease,
- Be determined by the Social Security Administration to have become totally and permanently disabled within twenty-four (24) months of the date last worked in **covered employment**,
- Have left **covered employment** due to the same injury or disease and must not receive any income from employment after leaving,
- Be expected to be totally and permanently disabled for the rest of your life in the opinion of a qualified physician, and
- Be disabled through some unavoidable cause, which *excludes* disabilities suffered as a result of:
  - Participation in a criminal act, and
  - Self-inflicted injuries.

If you are a participant who is no longer an employee

If you are a **participant** who is no longer an **employee**, you must satisfy the requirements for **employees** as listed above and you must:

- Have left **covered employment** due to the same injury or disease and must not receive any income from employment after leaving, and

- Be eligible for Social Security disability benefits as a result of the same injury or disease **within one year** after leaving **covered employment.**

Receipt of Social Security disability benefits is evidence of total and permanent disability. You may be asked to provide proof that your disability is continuous or that you are not gainfully employed in order to continue to collect benefits.

If you were disabled as a result of habitual drunkenness or narcotic abuse, there may be a period of time during which you may not be covered. You should check with the **Plan Administrator**.

Benefits stop when you recover from disability or die.

Amount of your disability retirement benefits

The amount of your **disability retirement benefit** will be calculated in the same way as a normal retirement benefit. Payment amounts are calculated based on **credited service** you have earned and the **benefit rates** at the time you leave **covered employment**. No additional **credited service** is earned during disability.

How disability retirement benefits are paid

You have three choices of how your **disability retirement benefits** will be paid to best meet your needs-whether it's the automatic method based on your marital status or an optional method available to you. **If you are married, you must obtain the written consent of your spouse (as described on page 26) to elect an optional method of payment.**

- **Single life annuity** If you are single when you retire on disability, the automatic form of payment is a monthly benefit for your lifetime. With this **annuity**, you will receive full unreduced benefits. If you are married, you and your wife may elect this option.

- **If you are married - 50% joint and survivor annuity.**

  - *If you have been married to your spouse for at least one year at your date of disability retirement.* If you are married when you are disabled, the automatic form of pension payment is a 50% joint and survivor **annuity**. The 50% joint and survivor **annuity** provides a reduced monthly income for your lifetime. Then, at your death, 50% of that amount will be paid to your spouse for his or her lifetime. Your disability pension will be paid in this form unless you and your spouse choose the single life **annuity** or the optional method below.

    Because joint and survivor payments are expected to continue for two lifetimes-yours and your spouse's-your benefits will be reduced to provide for your surviving spouse's benefit. The amount of benefits paid to you and your spouse will be less than a single life **annuity** and will equal the value of the benefits you alone would receive with a single life **annuity**.

  – *If you have been married to your spouse for less than one year at your date of disability retirement.* The 50% joint and survivor **annuity** (described in the previous paragraph) is payable if you are married on the date you elect to start receiving benefits, but have not been married throughout the one-year period before this date. However, if you die *before* you have been married to this same spouse for 12 full months, the 50% joint and survivor **annuity** will be revoked and your surviving spouse will receive no additional benefits.

- **Optional method if you are married – joint and survivor annuity.** With this **annuity**, you will receive full unreduced benefits for your lifetime or until you reach age 62, whichever is earlier. If you live beyond age 62 with this **annuity**, your payments will be reduced to provide benefits for both you and your spouse.

  – If you die before age 62, your spouse will receive a 50% joint and survivor **annuity** beginning the month after you would have reached age 62.

  – If you die after age 62, your spouse will receive a 50% joint and survivor **annuity** beginning the month after your death.

When disability retirement benefits are paid

Disability retirement benefits are payable as of the first month after you have submitted a completed application for benefits to the **Plan Administrator** and you are determined to be totally and permanently disabled.

How to apply for benefits

If you become disabled, *you should file a disability pension application with the **Plan Administrator** at the same time you file for Social Security **disability retirement benefits***. This way, if the Social Security Administration delays approval of your Social Security benefits, the **Plan** can pay **disability retirement benefits** retroactively to the first of the month after Social Security declares your date of disability. **The Plan will not, however, pay disability benefits retroactive to a date before you file your disability pension application with the Plan Administrator**.

IF YOUR EMPLOYMENT ENDS BEFORE YOU RETIRE

When you are vested, you have a right to pension benefits you've accrued up to that point, even if you leave before retirement. You are vested with a nonforfeitable right to your benefits once you complete five years of vesting service or complete 10 years of future service credit and are at least age 40.

Vesting

You are 100% **vested** in the **Plan** after you complete five years of **vesting service**. You earn one year of **vesting service** for every calendar year in which you work at least 1,000 **hours of work** for a **participating employer**. For vesting purposes, **hours of work** includes work for the **Union** or a **Union** affiliate if you work for the **Union** or affiliate immediately after you stop working for a **participating employer**.

You will also earn vesting service if you:

- Are away from work due to vacation, holiday, illness, incapacity, layoff, jury duty, military duty or leave of absence (up to a maximum of 501 hours for any single continuous period), or

- Are awarded back pay by your employer.

If you leave **covered employment** before you earn five years of **vesting service**, you will not receive a benefit from this **Plan** (see **break in service** rules on page 23).

Deferred vested retirement benefit

You may qualify for future pension benefits even if you are not immediately eligible to retire. You earn a vested right to your benefits when you have:

- **Five years of vesting service, or**

- **10 years of future service credit and are at least age 40.**

After you become eligible, you have a nonforfeitable right to a **deferred vested retirement benefit**. This benefit is:

- A deferred benefit because you don't receive it until you have reached **normal retirement age**,

- A **vested** benefit because it is yours to take with you; you have a 100% **vested** interest in it, and

- A retirement benefit because it is calculated the same way as your normal retirement benefit – based on the **benefit rates** in effect at the time you stop working for a **participating**

employer and then have a one-year **break in service**. You receive it at **normal retirement age** after you have filed an application.

WHEN YOU DON'T WORK CONTINUOUSLY FOR A PARTICIPATING EMPLOYER

When you don't work 200 hours with a **participating employer** during a **plan year**, you have a one-year **break in service** and your benefit is frozen. If you have a permanent **break in service**, you could lose your benefit credits.

If you have a one-year **break in service** before becoming **vested**, your participation in the **Plan** ends and your previously credited years of **vesting service** and previous units of pension credit may be cancelled. Once you have five or more consecutive **breaks in service**, if you are not **vested**, your **past service credits** are lost.

There are two kinds of **breaks in service**, a temporary break and a permanent break.

Temporary break – one-year break in service

You have a one-year **break in service** if you fail to complete at least 200 **hours of work** in **covered employment** for a **participating employer** during any **plan year** and you are not **vested** (you have earned five years of **vesting service**). However, the effect of this break is eliminated if you earn a year of **vesting service** (1,000 hours of **covered employment**) before you incur a permanent **break in service**.

In determining whether you have a **break in service** in a particular year, it will not count against you if you did not perform 200 **hours or work** due to:

- Service in the United States Armed Forces, so long as you return to work within the time your re-employment rights are guaranteed by law,

- Maternity or paternity leave that occurred after December 31, 1984. (This includes your pregnancy, the birth or adoption of a child or caring for the child after birth or adoption). You will receive the credit necessary to give you 200 **hours of work** in the year your maternity/paternity leave begins or ends, but not in both years,

- Total and permanent disability on or after December 2, 1994 (as evidenced by your receiving Social Security benefits) while working in **covered employment**, or

- Your receiving workers' compensation payments on or after December 2, 1994 for a period of at least 200 hours as a result of an injury that occurred while working in **covered employment**.

Permanent break in service

A permanent **break in service** results in the loss of all service credit accumulated under the **Plan**. A permanent break cannot be repaired, unlike a one-year **break in service**. Since the **Plan** was established, the rules for determining when a permanent break has occurred have been changed several times. The rules that apply to specific periods of time are described below:

Permanent break in service from January 1, 1985 to present

You have a permanent **break in service** on or after January 1, 1985 if the number of your consecutive one-year breaks in service equals the greater of five years of **past** and **future service credit** or **vesting service credit**, whichever is greater. You will not lose your service if you return to work in **covered employment** before you have the greater of:

- Five consecutive one-year **breaks in service**, or

- A **break in service** equal to your **vesting service credit** plus any **past service credit**. For example, if you have less than five years of service credit, you will not have a permanent **break in service** until you have five consecutive one-year breaks.

Permanent break in service from January 1, 1976 through December 31, 1984

You had a permanent **break in service** during this period if you had consecutive one-year **breaks in service** that equal or exceed the number of years of **vesting service credit** plus **past service credit** with which you were last credited. Therefore, unless **vested**, you lost your service credit earned before the break. But, if you were out of work for one year less than the service you already earned – the total of your **vesting service credit** plus any **past service credit –** you did not have a permanent **break in service**. For example, if you earned four years of **vesting service credit** and then had four or more consecutive one-year **breaks in service**, your previous credit is permanently cancelled.

Examples: Jim had 12 years of **vesting service credit** in 1990 when he decided to open a barbecue carryout with his wife. In 1996, he again began working for a **participating employer**. Jim's service is not affected because he had already earned a **deferred vested retirement benefit** when he had a **break in service**. However, his benefit for service prior to 1996 will be based on the **benefit rates** in effect when he had the **break in service**. Starting in 1996, his benefit will be based on current **Plan** provisions.

Harold had. two years of **vesting service** when his mother became ill in 1992 and required near-constant care. For the next three years, Harold worked very little for **participating employers –** 150 hours in 1992, 40 hours in 1993 and 110 hours in 1994. In 1995, he worked 850 hours for **participating employers** and in 1996, 1,200 hours. Because his **breaks in service** (3) totaled more than his prior **vesting service** (2), Harold had a permanent **break in service** in 1994. He lost the first two years of **credited service**. If Harold had earned four years of **vesting service** before the break occurred, his service could be reinstated.

Permanent break in service before 1976

Please check with the **Plan Administrator** if you could be affected by the permanent **break in service** rules in effect for **breaks in service** prior to 1976.

HOW YOU RECEIVE BENEFITS

Benefits will automatically be paid as a single life **annuity** if you are not married or as a 50% joint and survivor **annuity** if you are married--unless you (and your spouse, if applicable) elect otherwise in writing according to **Plan** procedures. These rules and options apply to normal retirement, unreduced early retirement, postponed retirement and **deferred vested retirement benefits** but do not apply to **disability retirement benefits**.

Automatic method if you are not married — single life annuity

If you are not married when you retire, you will automatically receive your pension payment as a monthly benefit for your lifetime. This is called a single life **annuity**. The single life **annuity** guarantees at least 36 months of payments to you and your **beneficiary –** if you die before you receive 36 monthly payments, your surviving **beneficiary** will receive the value of the remaining benefit payment amount.

If you prefer, another form of payment is available --a 10-year certain **annuity** (described on page 27).

Automatic method if you are married — 50% joint and survivor annuity

– *If you have been married to your spouse for at least one year at your date of retirement.* If you are married when you retire, benefits will be paid as a 50% joint and survivor **annuity** unless you and your spouse elect an optional method of payment. Under this form of payment, if you die before your spouse, your spouse will receive half of the amount of your benefit for the rest of his or her life.

  Because joint and survivor payments are expected to continue for two lifetimes-yours and your spouse's -- your benefits will be reduced to provide for your surviving spouse's benefit. The amount of benefits paid to you and your spouse will equal the value of the benefits you alone would receive with a single life **annuity**.

  The amount your benefits will be reduced to provide survivor benefits depends on the age difference between you and your spouse. A 50% joint and survivor **annuity** will give you 90% of the benefit you would otherwise be entitled to if you and your spouse were the same age. The 90% is increased 1/2% for each year or partial year your spouse is older than you (not to exceed 10%), and reduced 1/2% for each year or partial year your spouse is younger.

  On your death your spouse will get 50% of the reduced benefit. If your spouse dies before you die, your benefit "pops up" to the unreduced single **annuity** amount.

Example: John, 58, is retiring with a monthly benefit of $800 as a single life **annuity**. His wife Betty is four years younger. As a 50% joint and survivor **annuity**, here's what the payment would be:

90% Basic benefit for 50% joint and survivor **annuity**
-2% Four year age difference x 1/2%
88% Amount of benefit received

$800 x .88 = $704 Jack's monthly benefit while Betty is alive
$800 x 1.0 = $800 Jack's benefit when Betty dies
$704 x .50 = $352 Betty's benefit when Jack dies

– *If you have been married to your spouse for less than one year at your date of retirement.* The 50% joint and survivor **annuity** is payable if you are married on the date you start accruing benefits, but have not been married to your spouse for the one-year period before the date your payments begin. You will not be able to elect an optional method of payments. If you die before you have been married for the one-year period, the 50% joint and survivor **annuity** will be cancelled.

Spouse's signature required to select another form

You may reject the 50% joint and survivor **annuity** and choose an optional form of payment if your spouse agrees to this change in writing during the 90-day period prior to your benefit start date. Your spouse's signature must be notarized, or witnessed by a **Plan** representative in the **Plan Administrator's** office.

If you and your spouse agree to another form of payment, you may choose a single life **annuity**, as described above, or one of the optional methods of payment described below.

Optional methods of payment

100% joint and survivor annuity for added security

The 100% joint and survivor **annuity** provides a reduced benefit for you; your surviving spouse receives the same benefit amount upon your death. If your spouse dies before you die, your benefit "pops up" to the unreduced single life **annuity** amount.

The benefit amount payable will be reduced to 75% of the monthly amount you would otherwise have been entitled to if you and your spouse were the same age. The 75% is increased 1/2% for each year or partial year your spouse is older than you (not to exceed 25%) and reduced 1/2% for each year or partial year your spouse is younger.

Other features of joint and survivor annuities to remember:

- Once your benefit payments start, they will remain the same even if you and your spouse divorce.

- If your spouse dies before you do, your benefit will "pop-up" to the amount you would have received under the single life **annuity** form. Your benefit will "pop-up" the first of the month following your spouse's death if you notify the **Plan** within six months of your spouse's death.

Example: If Jack and Betty chose the 100% joint and survivor **annuity**, here's what the payment would be:

75% Basic benefit for 100% joint and survivor
<u>- 2%</u> Four-year age difference x 1/2%
73% Amount of benefit received (reduced by 27%)

$800 x .73= $584 Jack's monthly benefit while Betty is alive
$800 x 1.0= $800 Jack's monthly benefit when Betty dies
$584 x 1.0= $584 Betty's monthly benefit when Jack dies

10-year certain annuity with a guarantee

With the 10-year certain **annuity** option, payments are guaranteed for your lifetime or 10 years, whichever is longer. If you die before receiving 120 payments, your **beneficiary** will receive the remainder of the benefit payment amount

To provide this benefit for your **beneficiary**, your benefits will be reduced. Monthly payments for a 10-year certain **annuity** will be 90% of the amount you're otherwise entitled to. The 90% is decreased 1/2% for each year you are over age 65.

You may not elect this payment option if the joint life expectancy of you and your designated **beneficiary** (as of the date of your benefit application) is less than 10 years. You will be informed by the **Plan Administrator** if this applies to you.

Example: Marion retires at age 69 with a single life **annuity** of $1,000, naming his niece as his **beneficiary**, and lives for 7-1/2 years.

90% Basic benefit for 10-year certain **annuity**
<u>6%</u> Four years after 65 x 1-1/2%
84% Amount of benefit received (reduced by 16%)

$1,000 x .84 = $840 Marion's lifetime benefit (7-1/2 years)
$ 840 x 1.0 = $840 Niece's benefit for 2-1/2 years

If the value of your benefit is $1,000 or less

If the value of your benefit is $1,000 or less prior to the date your payments are scheduled to begin, it will automatically be paid as a lump sum.

PROTECTION FOR YOUR SURVIVORS

The **Plan** not only provides a regular monthly benefit for you at retirement, but may also provide a lump-sum death benefit to your spouse or **beneficiary** if you die before retirement.

The **Plan** also provides protection to your survivors if you are eligible for a pension at the time of your death. The benefit provided will be determined according to your employment status, age and marital status at the time of your death.

Post-retirement lump-sum death benefit

If you die after you retire and your benefit payments have begun — whether you are single or married — your **beneficiary** will receive a lump-sum death benefit of $5,000.

Pre-retirement death benefit

- Active **employees** — if you die while in **covered employment** and you have at least one year of **future service credit —** whether you are single or married for at least one year — your **beneficiary** can choose a lump-sum payment as follows:

    - $10,000, or

    - **If you were eligible for Normal Retirement Benefits on the date of your death,** $5,000 plus the sum of 36 months of the normal retirement benefits for which you would have been eligible if you had filed an application for benefits on the date of your death.

- **If you are not married** — If you are not married or have been married to your spouse for less than one year, your survivor will receive a death benefit determined according to your employment status and service, as follows:

    - *Eligible Age and Service* — If at the time of your death you have satisfied the age and service requirements to receive a normal retirement benefit but you had not begun receiving benefits at the time of your death, your **beneficiary** will be eligible to receive a lump sum of $5,000 plus the sum of 36 months of the normal retirement benefits for which you had been eligible if you had filed an application at the time of your death.

    - *Under Age* — If at the time of your death, you had satisfied the service requirements for a deferred **vested** benefit but had not reached the minimum age, your **beneficiary** will be eligible to receive a lump sum benefit of $10,000.

- **If you are married** — The **Plan** provides a pre-retirement **annuity** to your spouse. You must have been married to your spouse for at least one year at the time of your death to qualify for this benefit. If you die before retiring, the level of benefit payment to your spouse depends on your employment status, service, and age at the time of your death as follows:

- *Eligible Age* — If at the time of your death you have met the age and service requirements to receive a pension benefit under the **Plan**, your spouse will receive a monthly pension benefit determined as if you had retired the day before your death with a 50% joint and survivor **annuity**. That is, your spouse will receive payments of the amount you would have received had you retired (adjusted to reflect the difference in age between you and your spouse).

  Upon the death of your spouse, your spouse's **beneficiary** will receive the difference, if any, between the benefits already received and the sum of $5,000 plus the value of 36 months of normal retirement benefits.

- *Under Age* – If at the time of your death you have earned the service credits required, but not reached the minimum age required to receive a pension under this **Plan** your spouse will receive the same benefit he or she would have received as if you had retired at **normal retirement age**, the day before your death, with a 50% joint and survivor **annuity**. Under these circumstances, your spouse will begin to receive the benefit as of the first day of the month after you would have reached **normal retirement age**, unless your spouse elects a later date.

Lump-sum death benefit for participants in both this Plan and No. 3 Plan

If you have service under both this **Plan** and the Laborers' District Council Pension and Disability Trust Fund No. 3, you may be eligible for a lump-sum death benefit

- If you die after retirement and had 10 or more years of **credited service** in this **Plan** when you retired, your **beneficiary** is eligible for the full $5,000 lump-sum death benefit. If you had less than l0 years of **credited service** in this **Plan**, then the amount of the lump-sum death benefit is prorated based on the ratio of your years of **credited service** in this **Plan** to your combined years of **credited service** in this **Plan** and **Plan No. 3**.

- If you die as an active **employee** under this **Plan** with at least one year of **future service credit** and were also an active **employee** under the Plan, this **Plan** will pay the $10,000 lump-sum death benefit only if your most recent work was under this **Plan**.

- If you were neither a pensioner nor an active **employee** when you die, but were entitled to a **deferred vested retirement benefit** from this **Plan**, your **beneficiary** is eligible for the full $5,000 lump-sum death benefit.

Beneficiary designation

If you are single, you need to name a **beneficiary** to receive any benefits payable upon your death. If you are married, your **beneficiary** is automatically your spouse. To name a **beneficiary** who is not your spouse, you need your spouse's written consent that is either notarized or witnessed by a **Plan** representative.

If you have not designated a **beneficiary** on the form provided by the **Plan Administrator**, or if your designated **beneficiary** dies before you, the **lump sum death benefits** will be paid to the first who survives you, in the following order.

- Surviving spouse,
- Surviving children equally,
- Surviving parents equally,
- Surviving brothers and sisters equally, and
- Your estate.

Tax considerations

Under current federal income tax law, you won't be taxed until you start receiving your pension benefit. Unless you choose otherwise, federal income taxes will be automatically withheld from your retirement checks.

Consequences of lump-sum death benefit

The **lump sum death benefit** is not a life insurance benefit. Your **beneficiary** will generally be taxed on this benefit according to usual income tax rules,

If your **beneficiary** is not your spouse, the **beneficiary** may elect to have the **Plan** withhold federal income tax. The amount withheld is determined by the **beneficiary**. Withholding of federal income tax is voluntary. Regardless of any withholding, the **Plan** will report the amount of the payment to the Internal Revenue Service, and the **beneficiary** is responsible for paying any taxes.

If your **beneficiary** is your spouse, your spouse may elect to have the **Plan** make payment directly into your spouse's IRA. If your spouse does not make this election, then the **Plan** must withhold 20% of the amount of the payment. If your spouse does not have the **Plan** make payments directly into your spouse's IRA, the **Plan** will report the amount of the payment to IRS, and your spouse is responsible for paying any taxes. Even if the payments are made directly into your spouse's IRA, the **Plan** still must report the amount of the payment to IRS.

RE-EMPLOYMENT AFTER RETIREMENT

If you retire and later return to work in the industry and trade or craft, your benefit payments could stop.

When you eventually retire again, your benefits will be recalculated to include all your service to the extent creditable under the terms of the **Plan**.

Prohibited employment

Unless you meet one of the exceptions below, if you retire and begin receiving benefit payments and then return to work, your monthly benefit will be suspended if:

- Your work is for a **participating employer**, or

- Your work is in the same industry and the same trade or craft as while you were a covered **employee**, and in the same geographic area covered by the **Plan**.

Exceptions to prohibited employment

Your benefits will not stop even if you work in prohibited employment:

- If you perform less than 40 **hours of work** in a month,

- If you are at least age 62 and your earnings--excluding **Plan** benefits -- do not exceed the Social Security earnings limit. The Social Security earnings limit in 1999 is $9,600 between age 62 and age 64, is $15,500 between age 65 and age 69, and there is no limit over age 70, or

- In any month after April first of the year after you reach age 70 ½.

Recalculation of benefit amount

If you return to work for a **participating employer**, your benefit amount will be recalculated each January 1 to include your additional service. You will earn **future service credit** as before retirement with the following provisions:

- The additional credit you will earn will be offset by the actuarial equivalent of pension payments you receive. In most cases, this means you will not earn credit for time when you both work and receive a pension, and

- Only the new credit is calculated at the **benefit rate** in effect when you do the work.

Notification to Plan

You must notify the **Plan Administrator** in writing within 30 days after starting work that may be considered disqualifying employment, even if you are performing less than 40 **hours of work** per month. If benefits were paid to you for a month in which your benefits should have been suspended, the **Plan** may deduct that amount from future pension payments. If your benefits have been suspended due to prohibited employment, you will receive notice from the **Plan**. You are responsible for notifying the **Plan Administrator** when the prohibited employment has ended. Since your employment may affect the amount of benefits you receive, you should check with the **Plan Administrator** before accepting any employment that may be considered prohibited employment. You also may make a written request to the **Plan** for a determination of whether any work you are contemplating will be considered prohibited employment. You may request a review of this decision, or a suspension of benefits, by submitting a written request to the **Plan Administrator** within 180 days of the date you receive notice from the **Plan**.

Participants who formerly participated in **Plan No. 3** will be subject to the suspension of benefit rules under **Plan No. 3** with respect to their benefit accrued under **Plan No. 3** and the suspension of benefit rules under the **Plan** as described herein with respect to their benefit accrued under the **Plan**.

APPLYING FOR BENEFITS

To apply for benefits, complete and submit an application in advance of your planned retirement. If you are married and wish to receive benefits other than as a 50% joint and survivor annuity, you must make that decision within 90 days before your benefits are scheduled to start.

If you have any questions about your benefits, contact the Plan Administrator.

When you (or your **beneficiary**) are eligible for benefits from the **Plan**, an application form must be completed. Applications are available from and must be submitted to the **Plan Administrator**. To receive your pension checks promptly, apply for benefits in advance-three months if you are married, one month if not married -- of when you plan to retire.

If you are married and you and your spouse wish to receive benefits in a form other than a 50% joint and survivor **annuity**, you must do so within the 90 days before your benefits are scheduled to start, following the spousal consent process described on page 26. Once you have submitted your application, if you wish to change your payment method, you may submit a new application as long as you do so within the 90-day period with your spouse's written consent.

You may not change your payment method once your pension starts.

The **Plan** may require that you provide additional information in order to process your application or, once you are receiving benefits, to verify your eligibility.

Denial of benefits

Under normal circumstances, your application for benefits will be processed within 90 days after the application and all necessary information is filed. Within that 90-day period, you should receive either a notice of the decision or a notice that special circumstances require more time for a fair decision. In any event, you will receive the **Plan** Trustees' written response within 180 days. If you do not receive a notice within these time frames, you may consider your claim denied and proceed immediately to appeal your claim as described below.

HOW TO APPEAL A DENIED CLAIM

If the Trustees deny your application for benefits, in full or in part, you will receive a written notice which will include:

- An explanation of the specific reason or reasons for the denial,
- Reference to specific **Plan** provisions upon which the denial was based,
- A description of and reason for any additional material or information that would be useful in reconsidering the claim, and
- An explanation of the steps you or your **beneficiary** can take to submit the claim for review.

If you receive a claim denial, or if you think the amount you received is wrong, please follow the appeal procedures outlined below.

- Within 60 days of receiving notification of the denial – or any person representing you – you must submit a written appeal to the Trustees requesting a review of your application. You have a right to review all the **Plan** documents in preparing your appeal and to have a qualified person represent you during the appeal process.
- In your request for a review, state the reasons you believe your claim was improperly denied and include all additional information that you consider relevant in support of your claim. Also, whenever possible, send copies of any documents or records that support your appeal.

  Whether or not you can provide such additional information, your application will be thoroughly reconsidered after your appeal is received.
- Within 60 days of receiving your appeal or, in unusual circumstances, within 120 days after your appeal is received, the Trustees will review and answer your request in writing. This answer will state the specific reason for the decision, as well as references to the **Plan** provisions on which the decision is based. If the decision will take longer than the usual 60 days, you will be notified. This decision will be final, conclusive and binding on the Trustees, the **Plan**, the **Plan participant** and the **participant's** family members.

HOW YOU COULD LOSE YOUR BENEFITS

You are not entitled to any benefits from the **Plan** if you stop working for a **participating employer** and have a permanent **break in service** before you earn at least five years of vesting service.

The possible exceptions are if you earned credit under another retirement fund which has signed a reciprocal agreement with this **Plan**, or if you are working in **covered employment** and attain the later of age 65 or the fifth anniversary of your participation in the **Plan**.

Your benefits could be paid to another individual only if required by a qualified domestic relations order.

Minimum service required

Benefits will not be paid unless you meet the minimum requirements. These minimums apply for **deferred vested retirement benefit**:

- You must have earned at least five years of **vesting service**, or
- You must be working in **covered employment**, be at least age 65 and have attained the fifth anniversary of your most recent participation in the **Plan**.

Benefits may not be transferred

To protect you and your beneficiaries, your benefits are not available to the claims of creditors. You cannot sell, transfer, assign against or otherwise promise any benefit payable under the **Plan** before you receive that benefit. However, under certain circumstances, a court may award all or part of your benefit to a present or former spouse, child or other dependent through a qualified domestic relations order. You will be notified if your benefits become payable to another individual because of such an order. There is also an exception to allow you to authorize the **Plan** to deduct from your benefit payment amounts necessary to pay for health and welfare coverage under the Laborers' District Council Health and Welfare Trust Fund No. 2.

FUTURE OF THE PLAN

Although the Board of Trustees expects the Plan will continue indefinitely, it has the right to modify or even terminate the Plan.

In the unlikely event the Plan terminates, you have protection including guarantees by the federally insured Pension Benefit Guaranty Corporation (PBGC).

The Board of Trustees expects to continue the **Plan** indefinitely, but it reserves the right to amend, modify, suspend contribution to, or terminate the **Plan**. The **Plan** Administrator will notify you of any material change in the **Plan**.

The Board of Trustee's decision to terminate or amend a plan may be due to changes in federal law or state laws governing qualified benefits, the requirements of the Internal Revenue Code, ERISA, or any other reason. A plan change may transfer plan assets and liabilities to another plan or split the plan into two or more parts.

If the **Plan** is terminated, you will have a right to the value of your **vested** accrued pension benefits, to the extent funded under the **Plan**.

In the unlikely event the **Plan** terminates, benefit payments will be made as required by the PBGC. Benefits under this **Plan** are insured by the Pension Benefit Guaranty Corporation (PBGC) if the **Plan** terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

The PBGC guarantees vested benefits at the level in effect on the date of a plan termination. However, if a plan has been in effect less that five years before it terminates, or if benefits have been increased within the five years before plan termination, the whole amount of the plan's vested benefits or the benefit increase may not be guaranteed. In addition, there is a ceiling on the amount of monthly benefit that PBGC guarantees, which is adjusted periodically.

For more information on the PBGC insurance protection and its limitations, ask the **Plan Administrator** or the PBGC. Inquiries to the PBGC should be addressed to the PBGC, Problem Resolution Officer 1200 K Street N.W., Suite 2121, Washington, D.C. 20005. The PBGC may also be reached by calling (202) 326-4000.

Benefit limits

There are legal limits on how much you can receive from this **Plan** and the total amount you can earn under all employer-sponsored plans that add to your retirement security. If you would receive more than the legal limit, your pension must be reduced to the legal limit. The **Plan Administrator** will notify you if you are affected by this limit.

Participation is not a contract of employment

Participation in the **Plan** does not give you the right to continued employment, or the right to benefits except as outlined in the **Plan** document. This summary is not a contract or a guarantee of present or continued employment.

"Top-heavy" provision

The IRS has certain rules intended to ensure that tax-qualified plans like the **Plan** are nondiscriminatory. Under current tax law, a "top-heavy" plan is a plan that provides more than 60% of its benefits to "key employees" — that is, owners, officers, and highly compensated employees. At present, the **Plan** is not top-heavy. In the unlikely event that the **Plan** becomes top-heavy, you will be notified and your benefits may be modified to provide more rapid vesting and special minimum benefits.

ADMINISTRATIVE INFORMATION

Name of plan

Laborers' District Council Pension and Disability Trust Fund No. 2.

Type of plan

This **Plan** is called a defined benefit plan. The **Plan** guarantees a benefit amount and benefits are insured by the Pension Benefit Guaranty Corporation, a federal entity created to protect certain retirement benefits.

Name and address of individual employers

Upon request, the Trustees will give you the name and address of any **participating employers** and advise you whether an employer has entered into an agreement with **the Union** to make contributions to the **Trust** fund.

Union

Laborers' District Council of Baltimore/Washington Laborers' District Council and its affiliated local unions.

Contributions

Contributions are made by **participating employers** according to numerous collective bargaining agreements or participation agreements. You can get copies of any of these agreements by writing to the **Plan Administrator**.

Name and address of Plan Administrator

Carday Associates, Inc.
4600 Powder Mill Road, Suite 100
Beltsville, MD 20705-2675
(301) 937-9300

The **Plan Administrator's** normal business hours are 9:00 a.m. to 5:00 p.m., Monday through Friday.

Name and address of holder of Plan assets

Chevy Chase Trust
7501 Wisconsin Avenue, 14th Floor
Bethesda, MD 20814

Agent for legal service

Service of legal process may be made on the Trustees or the **Plan Administrator**.

Plan year

January 1 to December 31 (the calendar year)

Plan number

001

Employer identification number

52-0749130

Collective bargaining agreements

This **Plan** is maintained pursuant to one or more collective bargaining agreements. A copy of any such agreement may be obtained by **participants** and **beneficiaries** upon written request to the **Plan Administrator**, and is available for examination by **participants** and **beneficiaries**.

YOUR RIGHTS UNDER ERISA

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

- Examine all **Plan** documents at no charge. This includes documents like detailed annual reports or **Plan** descriptions. These documents are filed by the **Plan** with the U.S. Department of Labor. You can examine these documents in the Fund Office.

- Receive copies of all **Plan** documents and other **Plan** information. You must request this in writing from the **Plan Administrator**. The Trustees can make a reasonable charge to cover copying costs.

- Receive a summary of the **Plan's** annual financial report. The Trustees will send each **participant** a copy of this summary after the end of each **Plan year**.

- Receive a statement that tells you:

  - If you have earned the right to receive a pension at **normal retirement age** (age 65) (if you're vested).

  - If not, how many more years you will have to work to earn that right

  - If so, how much you would receive at your normal retirement date if you stopped working under the **Plan** now

This statement must be requested in writing, and you may receive it at least once each year. The statement must be given to you free of charge.

In addition to creating rights for **Plan participants**, ERISA imposes duties upon the people who are responsible for the operation of the **employee** benefit plan. The people who operate your **Plan**, called "fiduciaries" of the **Plan**, have a duty to do so prudently and in your best interest and in the interests of other **Plan participants** and beneficiaries.

Additionally, no one can fire you or discriminate against you to keep you from getting your **vested** benefit or exercising your ERISA 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.

Finally, under ERISA there are steps that you can take to enforce your rights. If you request information from the Fund Office or the Trustees and don't get it within 30 days, you can file suit in a federal court. The court may order the Fund Office or the Trustees to provide the documents to you. The court could also order them to pay you up to $110 a day until you get the documents, unless the documents were not sent because of reasons beyond their control. 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.

If the **Plan** Trustees misuse the **Plan's** money, or if you are discriminated against for asserting your rights, you can go to the U.S. Department of Labor for help or you, can file suit in a federal court.

In all of these cases, the court will decide who should pay any court costs and legal fees. If the court decides that your lawsuit is trivial, it may order you to pay all legal and court expenses. If you are successful, the court may order the person you have sued to pay your costs and fees.,

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, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.