



LIUNA NATIONAL (INDUSTRIAL) PENSION FUND

Summary of Supplemental Retirement Plan

STRUCTURE

The LIUNA National (Industrial) Pension Fund was founded in 1967 as a joint labor-management trust fund. It is a defined benefit pension plan that offers multiple levels of benefits based on a contribution rate and length of covered employment. It covers workers in many different industries in a wide variety of occupational areas outside of the construction industry. For over 50 years, the Board of Trustees has monitored and continues to monitor the Pension Fund to ensure its actuarial and financial soundness.

WHAT THE PLAN OFFERS

A Participant will receive a monthly retirement benefit for their lifetime and there is a monthly lifetime benefit available for a surviving spouse. Participants earn two kinds of credits under the Fund; Vesting Credits determine eligibility for a benefit, and Pension Credits determine the amount of the lifetime monthly benefit. Such lifetime benefits are available to Participants who earn at least five (5) years of Vesting Service Credits. Earning Vesting Credits for employment during the contribution period is as follows:

Hours of Employment in Calendar Year for which Contributions are Made to Pension Fund	Months of Vesting Credit for Future Service for Calendar Year
1 – 166	1 month
167 – 332	2 months
333 – 499	3 months
500 – 666	4 months
667 – 832	5 months
833 – 999	6 months
1,000 or more	12 months (one year)

Earning Pension Credits during the contribution period is as follows:

Hours of Employment in Calendar Year for which Contributions Are Made to Pension Fund	Months of Future Pension Credit for Calendar Year
1 – 166	1 month
167 – 332	2 months
333 – 499	3 months
500 – 666	4 months
667 – 832	5 months
833 – 999	6 months
1,000 – 1,166	7 months
1,167 – 1,332	8 months
1,333 – 1,499	9 months
1,500 – 1,666	10 months
1,667 – 1,799	11 months
1,800 or more	12 months

FUNDING RELIEF PROGRAM

The Pension Protection Act of 2006 (PPA) amended federal pension law to impose stricter funding standards on multiemployer pension plans, including the Laborers' National (Industrial) Pension Fund. The PPA requires a plan's actuary to annually certify to the plan trustees and federal government the plan's funding zone status based on the standards passed into law.

Under the Funding Improvement Plan adopted by the Board of Trustees in 2008, the Pension Fund was on track for long-term financial security until the triple disasters of 2008-2009: the investment market crash, the deep economic recession, and the continuing unemployment crisis. One consequence is that the Pension Fund's funding status slipped from the "yellow zone" to the "red zone" under the PPA's stricter funding rules.

The Board of Trustees adopted the Funding Rehabilitation Plan (FRP) on July 26, 2010 as required by the PPA. The FRP is designed to encourage continued participation in the Pension Fund by, among other ways, enabling participating groups to maintain the current benefit program (with minor changes) and continue to provide a lifetime annuity. The FRP is designed with two different schedules, the Preferred Schedule and the Default Schedule. The FRP period is the period of 10 plan (calendar) years commencing on January 1, 2013. The Fund is expected to emerge from the red zone, based on reasonable assumptions, by the plan year beginning January 1, 2023. The actuaries have indicated that the FRP is ahead of schedule.

TYPES OF BENEFIT PAYMENTS – PREFERRED SCHEDULE

Regular Pension

- Retire at age 62 under a full Regular Pension for those individuals who were Participants as of December 31, 2007
- Individuals for whom the Pension Fund first receives contributions on or after January 1, 2008, can receive the full Regular Pension retirement at age 65.
- Determination of Regular Pension Amount is as follows under percentage of pay:
Step 1: Annual salary x % rate ÷ 1,800 hours = hourly rate for the period:
Step 2: Hourly rate for the period = benefit level x number of months for period ÷ 360 = monthly benefit amount at normal retirement age.

The hourly rate for the period ties back to the appropriate Benefit Levels schedule in effect as of January 1, 1994 and/or January 1, 2008 and up to the adoption date of the Preferred Schedule under the Funding Rehabilitation Plan (FRP) which was January 1, 2013 for the City of Newport Beach. The salary earned in 2012 and the percentage rate of 1.5% in effect as of December 31, 2012 will determine the monthly benefit amount for the portion of pension credits earned after December 31, 2012. For new hires on or after January 1, 2013, year one salary will be used with a rate of 1.5% to determine all future credits earned. Fund Office contacts employer to get new hires annual salary to determine benefit accrual rate for that employee.

Early Pension

- Participants for whom the Pension Fund first receives contributions on or before December 31, 2007 can retire as early as age 55 with a reduction of 3% per year for each year under full retirement age.
- Participants for whom the Pension Fund first receives contributions on or after January 1, 2008 can retire as early as age 55 with a reduction of 6% per year for each year under full retirement age.

Deferred Pension

- This applies to Participants whose covered employment ends before they attain retirement age.
- Employee must be at least age 55, have at least five (5) years of Vesting Credits before covered employment has ended and not in disqualifying employment under the suspension rules.
- Benefit is determined based on formula above and the number of Pension Credits earned.

Disability Pension

- No age limit;
- Lifetime benefit with no age reduction;
- 10 years of Pension Credits;
- Must have 3 months of Pension Credits in the calendar year in which you became disabled or 3 months of Pension Credits in the previous calendar year;
- Must be found totally and permanently disabled. Total and permanent disability means that the employee is totally unable, as a result of a bodily injury or disease, to engage in or perform the duties of any occupation for remuneration or profit and such disability is expected to be permanent and continuous for the remainder of the employee's life.
- Employee must submit medical records and other information required for a determination to be made by the Pension Fund Board of Trustees.
- There is a five-month waiting period for a Disability Pension.

Reciprocal Pension

- Laborers' National Reciprocal Agreement provides LIUNA Members the ability to bridge Vesting Credits earned under different LIUNA Pension Funds if they lack enough Vesting Credits to qualify for a pension benefit. This prevents the member from incurring a break-in-service and helps them meet the five (5) year vesting requirement needed for a retirement benefit.

Optional Forms of Pension Benefits

- 50% Joint and Survivor Pension is the normal form of pension payable to a married participant at the time of their retirement.
- Regular and Pop-up Joint and Survivor Options – 50%, 75% and 100% are available for married Participants who properly reject the 50% Joint and Survivor Pension;
- Single Life Annuity with 60-month guarantee;
- 120 Certain Payment Option.

Widow's/Widower's Pension (Pre-Retirement)

- Lifetime monthly benefit payment for those married vested Participants who pass away before retirement. Must be lawfully married at time of death.

Death Benefit

- \$5,000 to unmarried vested Participants' beneficiaries who pass away before retirement.
- Payable in equal shares to any surviving children. No surviving children, then payable in equal shares to the surviving parents. No surviving parents, then payable in equal shares to any surviving siblings. No such survivors, then paid to the Participant's estate.

Collecting Your Benefits

You must contact the Pension Fund Office at least 2 to 3 months prior to your intended retirement by calling or writing to the Fund Office. You can ask the Fund Office any questions about the application package and process, options available and your rights under the Plan Rules.

To collect your benefits or for any questions or assistance needed regarding this Pension Fund, please contact us as follows:

LIUNA National (Industrial) Pension Fund

905 16th St, NW

Washington, DC 20006-1765

Phone 202-737-1664 or 800-544-7422

Fax 202-347-0721

Website www.lnipf.com

Hours of Operation: 8:30AM EST to 4:15PM EST, Monday – Friday, except Holidays