



SUMMARY PLAN DESCRIPTION

OF THE

REFRIGERATION AND AIR CONDITIONING DIVISION
(UA-NJ)

PENSION PLAN

Effective March 1, 2015

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REFRIGERATION AND AIR CONDITIONING DIVISION (U.A.- N.J.)
PENSION FUND
(Plan No. 001)

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TO ALL ELIGIBLE EMPLOYEES:

On the following pages you will find a summary description of the principal provisions of the revised Plan. We hope that you will read this booklet carefully and become familiar with the terms of the revised Plan and your rights under it.

We believe that the pension benefits provided by this Plan in addition to those provided under the Social Security Act will provide a substantial measure of security in retirement for those who have given many years of service in the refrigeration and air conditioning industry.

Vested benefits under this Plan up to certain limits will be insured with the Pension Benefit Guaranty Corporation as explained in detail under the Termination Insurance Section of this summary.

The Trustees are responsible for the operation of the Plan. We shall be happy to assist you in every way possible to make certain that you receive promptly the benefits to which you are entitled. If you would like information or assistance, you may obtain it at the office of the Pension Fund.

This summary is not intended to change in any way the provisions of the Plan. The rights of each person covered by the Plan may only be determined by the Pension Plan itself, a complete copy of which is on file at the office of the Pension Fund.

The Trustees shall have the power to interpret, apply and construe the provisions of this Summary Plan Description, the Pension Plan and the Agreement and Declaration of Trust and any construction, interpretation or application reasonably adopted by the Trustees in good faith shall be binding. The Trustees shall also have the full and exclusive authority to determine all questions of eligibility, coverage, participation, status and benefits under the Summary Plan Description, Pension Plan and Agreement and Declaration of Trust.

Sincerely yours,

THE TRUSTEES

OUTLINE OF PLAN

Eligibility:

Work under the collective bargaining agreement of the Union, or work for the Union or a benefit fund of the Union.

Retirement Dates:

Normal Retirement – Age 62 and 5 years participation.

Early Retirement – Age 55 and 10 years of credited service.

Disability Retirement – Any age, 10 years of credited service and receiving Federal Social Security disability benefits.

Pension Benefits:

Normal Retirement – Monthly pension is \$85.00 per month times years of credited service.

Early Retirement – Same as normal retirement if payable at age 62. Reduced 1/2% per month for each month pension commencement precedes age 62.

Disability Retirement – Same as for normal retirement.

Nonforfeitable Rights:

100% vested right to accrued benefit after 5 years of vesting service or credited service.

Spouse's Benefits:

Joint life pension payable to spouse if death occurs after eligibility for vested right but before retirement.

Lump Sum Death Benefit Before Retirement:

\$500 x service, if not eligible for Spouse's Benefits and earned at least 1 year of credited service.

Plan Year:

March 1st to February 28th.

BASIC IDEA

The Pension Plan is a defined benefit pension plan which was agreed upon in a collective bargaining agreement between the Air Conditioning and Refrigeration Contractors Association of New Jersey, Inc. and the New Jersey State Committee. The Plan was effective September 6, 1968 and has been amended many times to both meet the requirements of federal law and improve benefits.

There are eight trustees of the Pension Fund; four selected by the Union and four by the Association. These trustees are responsible for the administration of the Pension Plan in accordance with the regularly adopted rules and regulations, and their decisions are final. They have contracted I.E. Shaffer & Co. to serve as Fund Administrator. The Plan's fiscal year ends February 28.

ELIGIBILITY

If you are working under the collective bargaining agreement of the Union and your employer is obligated to make contributions to the Pension Fund on your behalf, you are automatically covered by the Pension Plan provided you have worked 1,000 hours in a 12 month period. Any regular, full-time employee of the Union or the Trustees of a benefit fund of the Union is also eligible for coverage.

CONTRIBUTIONS

Although the Union negotiates with the employers and agrees to the rate of contribution to the Pension Fund, the employer makes the contributions on your behalf in accordance with the collective bargaining agreement. You may obtain from the office of the Pension Fund a copy of the collective bargaining agreement and a list of contributing employers and information on whether an employer has agreed to make contributions to the Pension Fund in accordance with the collective bargaining agreement and, if so, such employer's address. The contributions are held and invested within the control of the Trustees and, together with the investment earnings, constitute the Pension Fund which provides the benefits payable to those who retire or to the beneficiaries or spouses of those who die while death benefits are payable.

CREDITED SERVICE

Your eligibility for benefits and the amount of your benefits are based upon your credited service. It is important to understand what this term means.

- (a) For all service before March 1, 1976, you will receive credited service according to the following schedule:

<u>Hours of Service</u>	<u>Credited Service</u>
1,800 or more	1.0
1,620 but less than 1,800	0.9
1,440 but less than 1,620	0.8
1,260 but less than 1,440	0.7
1,080 but less than 1,260	0.6
900 but less than 1,080	0.5
720 but less than 900	0.4
540 but less than 720	0.3
360 but less than 540	0.2
180 but less than 360	0.1
Less than 180	0.0

(b) For all service after February 29, 1976 you will receive credited service according to the following schedule:

<u>Hours of Service</u>	<u>Credited Service</u>
1,800 or more	1.0
1,600 but less than 1,800	0.9
1,400 but less than 1,600	0.8
1,200 but less than 1,400	0.7
1,000 but less than 1,200	0.6
800 but less than 1,000	0.5
600 but less than 800	0.4
400 but less than 600	0.3
200 but less than 400	0.2
Less than 200	0.0

VESTING SERVICE

Your eligibility for nonforfeitable rights is based on vesting service. You will receive a year of vesting service for each plan year during which you work at least 1,000 hours under the collective bargaining agreement with the Union, or for the Union or for the Trustees of a benefit fund of the Union.

BREAKS IN SERVICE

If you have a period of consecutive plan years in which you did not work at least 500 hours, you will have a break in service and all of your credited service and vesting service prior to the break in service will be forfeited even if you return to work in the industry within the territorial jurisdiction of the Union, unless:

- (a) you have a nonforfeitable right when your break in service occurs, or
- (b) your period of break in service is less than the greater of (i) 5 years or (ii) your period of vesting service prior to your break in service.

However, if you are unable to work because of sickness, injury, disability, maternity or paternity leave, or service in the Armed Forces of the United States, this period of not working will not be counted in determining a break in service.

Breaks in service which occurred before March 1, 1985 are based on the Plan provisions at the time of the break.

NORMAL RETIREMENT AT AGE 62 OR LATER

Eligibility – You must be at least age 62, and you must have been a participant of the Plan for at least 5 years before you retire in order to be eligible for normal retirement.

Monthly Pension – The full annuity form of pension is payable for your lifetime with 60 monthly payments guaranteed. However, you and your spouse must elect to receive this full annuity form of benefit. If you do not make such election or another election under Optional Forms of Pension, your monthly pension will be automatically converted into a reduced pension payable for your lifetime and then, upon your death, your spouse will receive one-half of your reduced pension for the rest of her (his) life. Generally, the reduction in the benefit will be 10% of the full annuity form of benefit.

The full annuity form of pension if you retire on or after March 1, 2015 is \$85.00 per month times the number of years of your credited service.

OPTIONAL FORMS OF PENSION

If you and your spouse elect not to have the automatic conversion to a Joint and 50% to Spouse benefit, your pension will be paid to you for life with 60 monthly payments guaranteed. However, you may elect one of the optional benefits explained below. Spousal consent is required for Options 2 or 3.

Option 1 – (Joint and 100% to Spouse). You may wish to provide your spouse with a higher benefit upon your death than that payable under the automatic option. Under this option, the reduction in your pension is greater, but the same pension will continue to your spouse for life.

Option 2 – (Life Annuity with 120 monthly payments guaranteed). The full annuity form of benefit guarantees payments for 60 months, but this option provides a lower benefit which is guaranteed for 120 months.

Option 3 – (Life Annuity with 180 monthly payments guaranteed). This is similar to Option 2 except that the monthly pension is reduced somewhat more and payments are guaranteed for 180 months.

Option 4 – (Joint and 75% to Spouse). You may wish to provide your spouse with a slightly higher benefit upon your death than that payable under the automatic option. Under this option, the reduction in your pension is slightly greater, but 75% of your pension will continue to your spouse for life.

An optional pension, other than the automatic Joint and 50% to Spouse form and the Joint and 75% to Spouse option, is not permitted for disability retirement.

EARLY RETIREMENT BETWEEN AGES 55 AND 62

Eligibility – You must be at least age 55 and have at least 10 years of credited service.

Monthly Pension – As explained under the Normal Retirement Section, the full annuity form of benefit will only be paid if you and your spouse elect to receive that benefit. If you do not make such election or another election under Optional Forms of Pension, your reduced pension will be paid to you for life, and then one-half of your reduced pension will be continued for life to your spouse. The full annuity form of benefit payable at age 62 if you retire on an early retirement pension on or after March 1, 2015 is determined in the same manner as explained in the Normal Retirement Section. If the full annuity pension is to commence before age 62, the pension is reduced by 1/2% for each month that the commencement of payments precedes your 62nd birthday.

DISABILITY RETIREMENT

Eligibility – If you become totally and permanently disabled after receiving at least 10 years of credited service you may apply for a disability pension.

Monthly Pension – Same as in the Normal Retirement Section. You must be disabled for a minimum of 6 months before pension payments can begin, and you must be receiving Federal Social Security disability benefits. As explained in the Normal Retirement Section, the above benefit will only be paid if you and your spouse elect to receive the full annuity form of benefit. If you do not make such election or another election under Optional Forms of Pension, your reduced pension will be paid to you for life and then one-half of your reduced pension will be continued for life to your spouse. A determination of the benefit on the Joint and 50% to Spouse form or the Joint and 75% to Spouse option will be provided upon request.

What is total and permanent disability? You will be considered to be totally and permanently disabled if total disability has continued for six consecutive months, you are receiving Federal Social Security disability pension payments, and the permanence of the disability is established to the satisfaction of the Trustees by medical proof or medical examination as directed by the Trustees.

HOW TO APPLY FOR A PENSION

- A. File an application for normal, early or disability retirement with the Trustees. The proper form will be provided to you upon request to the office of the Pension Fund.
- B. Submit satisfactory proof of your date of birth to the Trustees along with your application and, if you are married and have not elected the full annuity form of benefit, proof of your marriage and your spouse's date of birth.
- C. If you select the full annuity pension or options 2 or 3 (see Optional Forms of Pension), spousal consent is required. Such consent must be in writing and witnessed by a plan representative or notarized by a notary public. If spousal consent cannot be obtained, you must receive your pension in the reduced Joint and 50% to Spouse form.

In addition, if you are applying for a disability pension, you must provide proof that you are totally and permanently disabled. You may be required to have a medical examination every 6 months until age 62 to determine that you are still disabled.

NONFORFEITABLE RIGHTS

If you leave employment covered by the Plan before being eligible for normal, early or disability retirement, but after you have at least 5 years of vesting service or 5 years of credited service, you will be entitled to a deferred vested pension to commence at age 62.

The full annuity form of benefit payable to you will be the benefit in effect on the date of termination as explained in the Normal Retirement Section based on your credited service to the date of termination. This pension does not commence until you are age 62. If the full annuity pension is to commence on or after age 55 but before age 62, the pension is reduced by 1/2% for each month that the commencement of payments precedes your 62nd birthday.

As explained under the Normal Retirement Section, the full annuity form will only be paid if you and your spouse elect to receive that benefit. If you do not make such election or another election under Optional Forms of Pension, your reduced pension will be paid to you for life and then one-half of your reduced pension will be continued for the life of your spouse.

DEATH BENEFITS

You must name your beneficiary -

- You must name a beneficiary to receive any death benefits under this Plan.
- If you are married, your beneficiary must be your spouse unless your spouse waives this coverage in writing.
- The latest beneficiary designation in the possession of the Trustees shall determine the proper beneficiary.

If you die before you are eligible for vesting, early or normal retirement - If you have at least one year of credited service, your beneficiary will receive a death benefit of \$500 times the number of years of your credited service. This death benefit will be paid in one lump sum. If you are over age 55 but do not qualify for early retirement when you die, this death benefit will be paid. If you have not designated any beneficiary or your beneficiary does not survive you, any payment due will be paid to your estate.

If you die after eligibility for vesting, but before eligibility for early retirement or normal retirement – One of the following benefits will be paid:

- (a) If you have a spouse living when you die, she will receive at her election either (i) the lump sum death benefit stated above, or (ii) a monthly benefit for life commencing at the time you would have been age 55, which will be one-half of the monthly pension you would have received if you had terminated on your date of death and retired at age 55 and accepted the automatic conversion, or
- (b) If you do not have a spouse living when you die, your named beneficiary will receive the lump sum death benefit stated above.

If you die after you are eligible for early retirement or normal retirement – One of the following benefits will be paid:

- (a) If you have a spouse living when you die, she will receive a monthly benefit for life commencing on the first day of the month coinciding with or next following your death which will be one-half of the monthly pension you would have received if you had retired on your date of death and accepted the automatic conversion, or
- (b) If you do not have a spouse living when you die, your named beneficiary will receive a monthly pension for 60 months equal to the same benefit you would have received if you had retired on the date of your death, except the 60 month period will be reduced by the number of disability payments you may have received.

If you die while on retirement –If you die after actually retiring, benefits will be based on the form of payment elected at retirement.

RETURN TO WORK

You may return to work in the industry after your pension payments begin, but if you are not age 62, your pension payments will stop if you undertake any of the following:

- (a) employment with a contributing employer,
- (b) employment with an employer in the same business as a contributing employer, or
- (c) employment in any capacity which may be under the jurisdiction of the Union.

If you are age 62 or older, your pension payments will stop if you work 40 or more hours per month for a contributing employer in the State of New Jersey in a capacity in which you were previously employed at any time under the Plan.

You must notify the office of the Pension Fund in writing within 21 days of returning to work in the industry. If you have not attained age 62 and do not timely notify the office of the Pension Fund, your pension payments will be suspended for an additional 12 months over and above the suspension in those months of employment.

CLAIM PROCEDURE

If your request for a benefit under the Plan is denied by the Trustees, you will be advised in writing of the denial, and the specific reasons therefore, by the Trustees. If you then so request in writing within 180 days after being advised of the denial, the Trustees will meet with you for a full and fair review of your claim and the reasons for their denial. The result of such review will be communicated to you in writing within 60 days of your request for the review.

If you ever decide to take legal action, the Trustees have been designated as the agent for the service of any legal process.

AMENDMENT TO OR TERMINATION OF THE PLAN

If the Plan is amended by the Trustees, your benefit accrued to such date cannot be reduced. It is the intention of the Union and the Employers that the Pension Plan shall be continued indefinitely. If the Plan were to be terminated by the Trustees, the rights of all persons to benefits accrued on their behalf to such date would be nonforfeitable. Assets would be allocated, to the extent that they are sufficient, in the following order: pensioners and beneficiaries in payment status, participants eligible to retire, vested participants, nonvested participants. However, vested benefits will be insured by the Pension Benefit Guaranty Corporation against any possible asset insufficiency.

TERMINATION INSURANCE

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

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

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

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

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

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

QUALIFIED DOMESTIC RELATIONS ORDERS

You can obtain from the office of the Pension Fund, without charge, a copy of the procedures governing a qualified domestic relations order.

CIRCUMSTANCES CAUSING FORFEITURE OF BENEFITS

In the event that you leave employment covered by the Plan before you have earned 5 years of vesting service or 5 years of credited service and before you are eligible for any pension benefits, any accrued benefits will be forfeited unless you return to work in the industry as explained elsewhere in this booklet.

If you should die after receiving 60 monthly pension payments, the payments will cease unless you elected the Joint and 50% to Spouse option or any other optional pension and further payments are payable to your spouse or beneficiary as a result.

If the Plan is terminated and at that time you are not vested, all or a portion of your accrued benefits could be forfeited if the assets of the Trust Fund are insufficient to fully fund such benefits. However, vested benefits will be insured by the Pension Benefit Guaranty Corporation up to certain prescribed limits.

YOUR RIGHTS UNDER ERISA

This summary is not intended to change in any way the provisions of the Pension Plan. The rights of each person covered by the Plan may only be determined by the Rules and Regulations for a Pension Plan, a complete copy of which is on file in the office of the Pension Fund.

As a participant in the Refrigeration and Air Conditioning Division (U.A.- N.J.) Pension Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

- Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.
- Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The plan must provide the statement free of charge.

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 the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

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

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

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

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NOTES

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