

AUTOMOBILE MECHANICS'
LOCAL NO. 701 UNION AND INDUSTRY
PENSION FUND



SUMMARY PLAN DESCRIPTION
2013 EDITION

**AUTOMOBILE MECHANICS' LOCAL NO. 701
UNION AND INDUSTRY PENSION FUND**

Bargaining Unit A Plan

SUMMARY PLAN DESCRIPTION

2013 Edition

**AUTOMOBILE MECHANICS' LOCAL NO. 701
UNION AND INDUSTRY PENSION FUND**

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A Message from the Board of Trustees

We are pleased to provide you with this new updated booklet describing your benefits under the Automobile Mechanics' Local No. 701 Union and Industry Pension Fund. This Summary Plan Description (SPD) booklet replaces any prior explanation booklets, but it does not replace or supersede the Plan document.

This SPD booklet covers changes to the Plan as of January 1, 2013, including changes under the Rehabilitation Plan adopted by the Board of Trustees, effective September 30, 2012. Under the Rehabilitation Plan, there is a Preferred Schedule of benefits and a Default Schedule of benefits. The benefits are the same under the Preferred and Default Schedules except that you are not eligible for the Rule of 85 Pension if you work more than 60 days for an Employer under the Default Schedule. If your Employer adopts the Default Schedule, you will receive a 60-day notice explaining the alternatives.

If you would like a copy of the official Plan document, or if you have any questions about the Plan in general, please contact the Fund Office at (708) 482-0220.

The Board of Trustees reserves the right to change or terminate the Plan at any time. When the Plan is amended, Participants will be notified. Only the full Board of Trustees is authorized to interpret the Plan described in this booklet. No Employer, Union, nor any representative of any Employer or Union, in such capacity, is authorized to interpret this Plan, nor can any such person act as agent of the Trustees.

The official Plan document and trust agreement describe the provisions of the Pension Plan in more detail and will govern with respect to your eligibility to participate and the benefits you will receive under the Pension Plan. The Board of Trustees has discretionary authority to make all final determinations on questions of eligibility and any other provisions of the Plan.

The benefits described in this booklet generally apply to Participants who retire or otherwise leave Covered Employment after January 1, 2013. The other provisions related to administration generally apply to all Participants. Except for increases to former Participants, as specifically set out in the Plan, the amount of benefits of former Participants who left Covered Employment are determined under the Plan as it existed at the time they left Covered Employment. Contact the Fund Office if you have any questions or need additional information.

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SECTION 1: PARTICIPATION

1.01 Covered Employment

You are working toward participation in the Plan by working in Covered Employment. Covered Employment is work under a Collective Bargaining Agreement that requires Contributions to the Plan.

1.02 Initial Participation

You will become a Participant in this Plan on the earlier of:

1. The earliest January 1 or July 1 after you complete 20 weeks of work during a 12 consecutive month period in Covered Employment; or
2. January 1 of the calendar year in which you earn at least 1/4 Pension Credit.

1.03 Termination of Participation

Once participation is established, you will remain a Participant while you work in Covered Employment. If you stop working, your Plan participation can terminate up until the time you are vested in a pension benefit.

Your participation will terminate at the end of the calendar year in which you incur a one-year break-in-service which is described in more detail in Section 4.01.

1.04 Reinstatement of Participation

If you lose your Participant status, you can become a Participant again by returning to work in Covered Employment and meeting the requirements for initial participation as explained above.

1.05 Vested Participants

Once you meet the requirements for any kind of pension under the Plan, you will always be a Participant under the Plan.

1.06 Schedule of Benefits: Preferred Schedule or Default Schedule

As a Participant, you may become eligible for benefits under either the Preferred Schedule or the Default Schedule. The benefits are the same under the Preferred and Default Schedules except that you are not eligible for the Rule of 85 Pension if you work more than 60 days for an Employer under the Default Schedule. If your Employer adopts the Default Schedule, you will receive a 60-day notice explaining the alternatives. The Rule of 85 Pension is described in Section 5.04. The Preferred Schedule and the Default Schedule were adopted by the Board of Trustees pursuant to a Rehabilitation Plan as required under federal law.

SECTION 2: CALCULATION OF YOUR ACCRUED BENEFIT

2.01 Annual Accrual

Your Accrued Benefit is the sum of the Annual Accruals credited during each Plan Year. The Annual Accrual is the amount calculated by multiplying your Pension Credit by the accrual rate for the applicable Plan Year. Pension Credit is counted in two ways depending on whether it is earned before or during the contribution period.

2.02 Pension Credit During the Contribution Period

You will receive Pension Credit for your weeks of work in Covered Employment for which Employer Contributions are required to be paid to the Fund based on the following schedule:

Weeks of Work in Covered Employment In a Calendar Year	Pension Credit
Less than 10	No Credit
10 to 19	0.25
20 to 29	0.50
30 to 39	0.75
40 or more	1.0

2.03 Pension Credit Before the Contribution Period

For periods prior to January 1, 2012, you will receive Pension Credit for work in Covered Employment before the contribution period (past service) based on the schedule above, only if you worked more than 26 weeks for the same Employer during the first 12 months such Employer was required to contribute to the Fund. However, if you were disabled and did not meet this requirement, you may be eligible for Pension Credit before the contribution period if you worked at least 27 weeks for the same Employer during the 12 months immediately preceding the date such Employer was first required to contribute to the Fund. The maximum number of Pension Credits you may receive under this provision for work before the contribution period is limited to five (5) Pension Credits, earned in no more than 2 separate contribution periods.

If an Employer first becomes signatory on or after January 1, 2012, to a Collective Bargaining Agreement with Local 701 which requires Contributions to this Plan, the Employees of that Employer are eligible for past service credits under a One-for-One Rule. Under this rule, each full year of contributory service under the Plan makes the Employee eligible for one year of past service credits. A maximum of five (5) past service credits can be earned in this manner. Of course you are only eligible for past service credits to the extent you were continuously

employed by the Employer prior to the Employer becoming signatory to the Collective Bargaining Agreement. A lifetime maximum of past service Pension Credits that you may receive is limited to 10 Pension Credits.

The decision of the Trustees on the amount of Pension Credits granted before the contribution period is final and binding. To the extent past service credits are granted, years of Vesting Service will also be granted.

2.04 Pension Credit for Non-Work Periods

The Plan may award you non-work Pension Credit if you are disabled during the contribution period and receiving (A) workers' compensation benefits or (B) Weekly Accident and Sickness benefits from the Automobile Mechanics' Local No. 701 Union and Industry Welfare Fund. You must submit proof satisfactory to the Trustees that you are disabled.

You may be credited with a maximum of 10 weeks of non-work credit per calendar year up to a maximum of one non-work Pension Credit during your lifetime.

Non-work Pension Credit for periods during the contribution period in which you were serving in the Armed Forces of the United States in a time of war or emergency may be granted if you submit proof of your service in the military to the Trustees.

2.05 Period of Accrual

For service prior to January 1, 2011, a Period of Accrual is an interval of consecutive calendar years during which you earn Pension Credit. Pension Credits earned during any one Period of Accrual will have the same benefit value at retirement.

1. First Period of Accrual

Your first Period of Accrual begins with the year in which you first earn Pension Credit under the Plan. This Period of Accrual will continue unless you do not earn at least 1/4 Pension Credit in two consecutive calendar years. In the event you do not earn 1/4 Pension Credit in a 2-year period, your first Period of Accrual will end retroactive to the day before the beginning of that 2-year period.

2. Second Period of Accrual

Your next Period of Accrual will start when you again earn Pension Credit. If you earn at least 3 Pension Credits during a subsequent Period of Accrual, all previous periods of accrual will be combined and will be considered as one Period of Accrual with one benefit accrual rate for purposes of determining your benefit amount at retirement.

If it is determined that you have more than one Period of Accrual, then Pension Credits earned during each Period of Accrual will be given a benefit level based upon the benefit accrual rate for that Period of Accrual.

2.06 Accrual Rates

The amount of your monthly pension benefit depends on the number of Pension Credits you earned during each Period of Accrual and the applicable accrual rate as shown in the following schedule. You qualify for an accrual rate based on when you last had Contributions during a Period of Accrual.

ACCRUAL RATES

Period of Accrual Ending Between	Accrual Rate per Pension Credit Earned During Period of Accrual
January 1, 1959 and November 30, 1970	\$ 13.61
December 1, 1970 and September 30, 1973	\$ 14.24
October 1, 1973 and November 30, 1975	\$ 15.83
December 1, 1975 and September 30, 1977	\$ 16.46
October 1, 1977 and June 30, 1979	\$ 17.62
July 1, 1979 and December 31, 1982	\$ 21.84
January 1, 1983 and June 30, 1986	\$ 23.74
July 1, 1986 and August 31, 1988	\$ 25.00
September 1, 1988 and December 31, 1993	\$ 30.08
January 1, 1994 and December 31, 1996	\$ 36.36*
January 1, 1997 and December 31, 1998	\$ 45.45*
January 1, 1999 and December 31, 2000	\$ 54.54*
January 1, 2001 and December 31, 2010	\$80.00
January 1, 2011 and thereafter	(i) The accrual rate in this table for each applicable Period of Accrual prior to January 1, 2011; plus (ii) \$60.00 for credits earned after January 1, 2011.

As you can see in the above schedule, the highest accrual rate through December 31, 2010 was \$80. Effective for credits earned on or after January 1, 2011, the accrual rate is \$60.

*You may qualify for these prior accrual rates based on special eligibility rules: (1) One year of Vesting Service in 1998 for \$54.54 rate; (2) One year of Vesting Service in 1996 for the \$45.45 rate; or (3) One full Pension Credit in 1993 for \$36.36 rate.

Participants who terminate Covered Employment before June 1986 are limited to a maximum of 25 Pension Credits; those who terminate Covered Employment between July 1986 and December 1998 are limited to a maximum of 30 Pension Credits. There is no maximum number of Pension Credits for Participants who terminate Covered Employment after January 1999.

SECTION 3: VESTING SERVICE

3.01 Earning Years of Vesting Service

You are credited with a year of Vesting Service if you have at least 20 weeks of Contributions or at least 870 Hours of Work during a calendar year. For purposes of earning Vesting Service, you will be credited with 45 Hours of Work for each weekly Contribution required to be made to the Plan on your behalf, regardless of the number of hours actually worked. To the extent you are granted past service credits under Section 2.03, you will also be granted years of Vesting Service.

You can also earn one year of Vesting Service if you transfer from Covered Employment to non-Covered Employment with the same Employer. Because you continue to work with the same Employer, this is called Continuous Employment under the Plan. It's important to note that you will still need to work 20 weeks or more in Continuous Employment and/or Covered Employment during the calendar year to earn a year of Vesting Service. The Plan does not award partial years of Vesting Service.

3.02 Becoming a Vested Participant

When you are vested under the Plan, you have a non-forfeitable right to a pension benefit when you retire. You are considered vested after you earn five years of Vesting Service on or after January 1, 1999.

Prior to January 1, 1999, the Plan required 10 years of Vesting Service or 10 Pension Credits to be vested.

The five-year rule applies if you are a Participant and work one or more hours on or after January 1, 1999, and before your participation terminates because of incurring a one-year break-in-service.

If your participation terminates because you incurred a one-year break-in-service before being vested, the five-year rule will apply if you reinstate your participation after January 1, 1999, and before incurring a permanent break-in-service.

3.03 How Vesting Service Differs from Pension Credit

Here are some important differences between Vesting Service and Pension Credits.

1. You may earn Pension Credits only for work in Covered Employment; you may earn Vesting Service for all Hours of Work, including any back pay agreed to by your Employer. You may also earn Vesting Service for non-Covered Employment that is continuous with Covered Employment for the same Employer.

2. You may earn Vesting Service in full years only, unlike Pension Credit where you earn fractions of credit.
3. If you are eligible for a pension, your benefit amount is calculated based on Pension Credit, not years of Vesting Service.

SECTION 4: BREAKS-IN-SERVICE

There are two types of breaks-in-service: one-year breaks and permanent breaks-in-service.

These rules will apply if you are not vested as described in Section 3. You can lose Pension Credits and years of Vesting Service if you incur a permanent break-in-service before you become a vested Participant.

4.01 One-Year Break-in-Service

One-year breaks-in-service are temporary and can be repaired. Generally, you have a one-year break-in-service in any calendar year that you do not have at least 10 weeks of work in Covered Employment.

You can repair a one-year break-in-service if, before having a permanent break, you meet the requirements for participation described in Section 1. Generally, this means returning to Covered Employment and earning at least 1/4 Pension Credit.

4.02 Permanent Break-in-Service

If you are not vested, you incur a permanent break-in-service if you have five or more consecutive, one-year breaks-in-service.

4.03 Effect of Permanent Break-in-Service

If you have a permanent break-in-service, your Pension Credits and years of Vesting Service are cancelled. If you return to Covered Employment, you will start out as a new Participant with zero Pension Credits and years of Vesting Service.

4.04 Grace Period Exceptions to the Break-in-Service Rules

There are certain non-work periods called grace periods that are not counted in determining if a permanent break-in-service occurred. Grace periods will be granted during the contribution period for any of the following reasons:

1. **Illness or injury.** A grace period of up to 2 consecutive calendar years may be granted, based on medical evidence of disability. You must notify the Fund Office in writing promptly of the start of the disability.
2. **Qualified military service.** A grace period of up to 2 years may be granted for periods of military service in the Armed Forces of the United States if you return to or seek work in Covered Employment within 90 days after discharge or recovery from a service related disability. However, no grace period or Pension Credits will be granted for any period of voluntary re-enlistment. You must provide proof of your service in the military to the Trustees.

3. **Maternity or paternity leave.** A grace period may be granted for an absence from work because of childbirth, adoption, or infant care, up to a maximum of 501 Hours of Work in the year the absence starts or, if not required in that year to prevent a break, in the following year. You must provide sufficient information establishing that your absence is for maternity or paternity leave and the number of days for which you were absent to the Trustees in a timely manner.

4. **Family and Medical Leave Act.** A grace period may be granted for an absence from work due to a qualified Family and Medical Leave, up to the maximum required by federal law.

SECTION 5: TYPES OF PENSIONS AND PENSION AMOUNTS

5.01 Types of Pensions

There are three types of pensions provided under the Plan:

1. A Regular Pension;
2. An Early Pension; and
3. A Vested Pension.

These pensions are summarized in the following chart and described on the following pages.

TYPE OF PENSION	MINIMUM SERVICE REQUIREMENTS	EARLIEST AGE AT WHICH BENEFIT IS PAID
Regular Pension	10 Pension Credits	62
Early Pension	10 Pension Credits	55
Vested Pension	5 Years of Vesting Service 10 Years of Vesting Service	65 55

When you apply for your pension, the Fund Office will calculate the amount of your pension under the various optional forms of payment, which are described in Section 6.04. This will give you a comparison of the benefits available to you so that you can make an informed decision. You will have until the award date of your pension or, if later, 90 days from the date the Fund Office gives you an estimate to decide how you want your pension paid.

5.02 Regular Pension

You are eligible for a Regular Pension if:

1. You have attained age 62; and
2. You have 10 or more Pension Credits.

The amount of the Regular Pension is equal to your Accrued Benefit.

For Example:

John is 62 and applies for a Regular Pension, effective January 1, 2014. At his date of retirement, John had 35 Pension Credits which were earned during a single Period of Accrual. Accordingly, John's Regular Pension is calculated based on the accrual rates in Section 2.06 as follows:

Age at Retirement	Number of Pension Credits	Accrual Rate	Monthly Benefit
62	32	\$80.00	\$2,560.00
	3	\$60.00	\$180.00
Total	35		\$2,740.00

5.03 Early Pension

(a) Eligibility

You are eligible for an Early Pension if:

1. You have attained age 55; and
2. You have at least 10 Pension Credits.

(b) Amount

The amount of the Early Pension is equal to your Accrued Benefit with a reduction of 0.625% for each full month (7.5% per year) your retirement date precedes age 62 as follows:

Age	Early Retirement Factor
62	100%
61	92.50%
60	85.00%
59	77.50%
58	70.00%
57	62.50%
56	55.00%
55	47.50%

Please note that the chart does not provide the factors for every month prior to age 62, but instead provides you with a snapshot of what the factor is if you retire in the month in which you turn a particular age. If you retire in any other month, there will be a reduction based on the exact number of months you retire prior to age 62.

For example:

Tom retires at age 55 with a total of 25 Pension Credits. If Tom's accrued monthly benefit is \$1,960.00, based on the factors above, his Early Retirement Pension is calculated as follows:

Accrued monthly benefit	\$1,960.00
Early retirement reduction factor for age 55 years and 0 months	<u>× 47.50%</u>
Total monthly pension	<u>\$931.00</u>

5.04 Rule of 85 Pension – Preferred Schedule Only

(a) Eligibility

You are eligible for a Rule of 85 Pension under the Preferred Schedule if:

1. You have attained age 55;
2. You have at least 10 Pension Credits;
3. Your age and Pension Credits when added together equal or exceed 85; and
4. You have received the 60-day notice and have not worked more than 60 days for an Employer that has adopted the Default Schedule.

(b) Amount

The amount of the Rule of 85 Pension is equal to your Accrued Benefit with a reduction of 0.167% for each full month (2% per year) your retirement date precedes age 62 as follows:

Age At Retirement	Early Retirement Factor
62	100%
61	98%
60	96%
59	94%
58	92%
57	90%
56	88%
55	86%

Please note that the chart does not provide the factors for every month prior to age 62, but instead provides you with a snapshot of what the factor is if you retire in the month in which you turn a particular age. If you retire in any other month, there will be a reduction based on the exact number of months you retire prior to age 62.

For example:

Fred retires at age 60 with a total of 25 Pension Credits. If Fred's accrued monthly benefit is \$1,960.00, based on the factors above, his Rule of 85 Pension is calculated as follows:

Accrued monthly benefit	\$1,960.00
Early retirement reduction factor for age 60 years and 0 months	<u>× 96%</u>
Total monthly pension	<u>\$1,881.60</u>

5.05 Vested Pension

(a) Eligibility

You are eligible for a Vested Pension if:

1. You have at least 5 years of Vesting Service or 5 Pension Credits; and
2. You have attained your Normal Retirement Age.

In addition, you will be eligible for a Vested Pension if you leave Covered Employment after attaining your Normal Retirement Age.

(b) Amount

The amount of the Vested Pension at Normal Retirement Age is equal to your Accrued Benefit. You can also commence a Vested Pension prior to Normal Retirement Age, if you have at least 10 years of Vesting Service or 10 Pension Credits. The amount of the Vested Pension prior to Normal Retirement Age is calculated in the same way as an Early Pension under Section 5.03 above.

SECTION 6: FORMS OF PENSION PAYMENT

6.01 Normal Form of Payment

Your pension benefit is available in different forms depending on your marital status.

1. Single Life Annuity

If you are not married, the normal form of payment is a Single Life Annuity that will be payable monthly for as long as you live and ends upon your death. The amount of the Single Life Annuity is the amount of the Regular Pension, adjusted for early or late payment, if applicable.

2. 50% Spouse Option

If you are married, the normal form of payment is a 50% Spouse Option unless you and your spouse elect an optional form of payment, subject to the waiver requirements of Section 6.02.

Under the 50% Spouse Option, you receive a benefit for your lifetime. The amount of the monthly benefit payable to you is reduced from what it would be if the pension were taken in the Single Life Annuity form.

Upon your death, 50% of the reduced benefit amount will be paid to your surviving spouse for the rest of his/her life. However, if your spouse dies within three years of the effective date of your pension commencement date, the reduction will be cancelled and your monthly benefit will pop-up to the Single Life Annuity amount beginning with the month following the death of your spouse. The benefit percentages payable are shown in Table 1 on page 38.

6.02 Waiver of Spousal Benefits

If you are married and you wish to waive the 50% Spouse Option, the waiver must be in writing, in a form prescribed by the Trustees, signed by your spouse, and witnessed by a notary public. Spouse for this purpose means a person to whom you are validly married under applicable state law.

A 50% Spouse Option may also be waived if you establish to the satisfaction of the Trustees, that (1) you are not married; (2) your spouse cannot be located; (3) you have been abandoned by your spouse as confirmed by a court order; or (4) the consent of your spouse cannot be obtained because of extenuating circumstances.

6.03 Spouse Options

For any of the spouse options to be effective, you and your spouse must be legally married when your pension begins.

Payment to your spouse will start the month following your death provided both of the following requirements have been satisfied:

- (1) Your death occurs at least one year after the date of marriage; and
- (2) You and your spouse are legally married at the time of your death.

Once payments begin, a spouse option may not be revoked; nor will your benefits increase by reason of subsequent divorce.

6.04 Optional Forms of Benefit Payments

1. Single Life Annuity

If you are married but wish to waive the 50% Spouse Option, you may elect a Single Life Annuity benefit. This benefit is a monthly benefit payable only for your lifetime. No benefits will be payable after your death.

2. 60 or 120-Month Guarantee

If you are eligible for a pension, you may elect the 60-Month Guarantee or the 120-Month guarantee. If you are married, you must satisfy the waiver provisions in Section 6.02 in order to select this optional benefit form.

If you elect the 60-Month Guarantee, you will be paid a reduced amount for your lifetime compared to the Single Life Annuity. If you die before receiving 60 monthly pension payments, your beneficiary will receive the remaining number of payments until a total of 60 monthly payments are made.

If you elect the 120-Month Guarantee, you will be paid a reduced amount for your lifetime compared to the Single Life Annuity. If you die before receiving 120 monthly pension payments, your beneficiary will receive the remaining number of payments until a total of 120 monthly payments are made.

If your beneficiary dies before receiving the balance of the monthly pension, benefits will be paid to the first of the following categories: (a) spouse, (b) children, (c) parents, (d) siblings, and (e) estate.

Example

Under a 120-Month Guarantee, you will receive a reduced benefit, based on your age, for your lifetime with a minimum guarantee of 120 months (10 years). The benefit percentages payable are shown in Table 2 on page 39. This means if you die before receiving 120 monthly pension payments, your beneficiary would continue to receive that same benefit amount for the balance of the 120 months. After a total of 120 monthly benefit payments are made to you and your beneficiary, monthly benefit payments would cease. If you die after receiving 120 monthly pension payments, no further benefits will be paid on your behalf.

3. 75% Spouse Option

Under the 75% Spouse Option, you receive a benefit for your lifetime. The amount of the monthly benefit payable to you is reduced from what it would be if the pension were taken in the Single Life Annuity form. Upon your death, 75% of the reduced benefit amount will be paid to your surviving spouse for the rest of his/her life. However, if your spouse dies within three years of the effective date of your pension commencement date, the reduction will be cancelled and your monthly benefit will pop-up to the Single Life Annuity amount beginning with the month following the death of your spouse. The benefit percentages payable are shown in Table 1 on page 38.

4. 100% Spouse Option

Under the 100% Spouse Option, you receive a benefit for your lifetime. The amount of the monthly benefit payable to you is reduced from what it would be if the pension were taken in the Single Life Annuity form. Upon your death, 100% of the reduced benefit amount will be paid to your surviving spouse for the rest of his/her life. However, if your spouse dies within three years of the effective date of your pension commencement date, the reduction will be cancelled and your monthly benefit will pop-up to the Single Life Annuity amount beginning with the month following the death of your spouse. The benefit percentages payable are shown in Table 1 on page 38.

5. 50% Spouse Option With Pop-Up

Under the 50% Spouse Option Pension with Pop-Up, you receive a benefit for your lifetime. The amount of the monthly benefit payable to you is reduced from what it would be if the pension were taken in the Single Life Annuity form. Upon your death, 50% of the reduced benefit amount will be paid to your surviving spouse for the rest of his/her life. However, if your spouse dies before you, the reduction will be cancelled and your monthly benefit will pop-up to the Single Life Annuity amount beginning with the month following the death of your spouse.

6. 75% Spouse Option With Pop-Up

Under the 75% Spouse Option Pension with Pop-Up, you receive a benefit for your lifetime. The amount of the monthly benefit payable to you is reduced from what it

would be if the pension were taken in the Single Life Annuity form. Upon your death, 75% of the reduced benefit amount will be paid to your surviving spouse for the rest of his/her life. However, if your spouse dies before you, the reduction will be cancelled and your monthly benefit will pop-up to the Single Life Annuity amount beginning with the month following the death of your spouse.

7. 100% Spouse Option With Pop-Up

Under the 100% Spouse Option Pension with Pop-Up, you receive a benefit for your lifetime. The amount of the monthly benefit payable to you is reduced from what it would be if the pension were taken in the Single Life Annuity form. Upon your death, 100% of the reduced benefit amount will be paid to your surviving spouse for the rest of his/her life. However, if your spouse dies before you, the reduction will be cancelled and your monthly benefit will pop-up to the Single Life Annuity amount beginning with the month following the death of your spouse.

8. Spouse Option Amounts

Under the various Spouse Options, your monthly pension benefit will be actuarially reduced, and the amount of the reduction in your benefit depends on your age and your spouse's age. The reduction factors are shown in Table 1 on page 38.

Example: You retire at age 62 and are eligible for a monthly Regular Pension of \$2,400.00. Your spouse is age 59. Your monthly benefit amounts under the various spouse options are shown below:

If you elect	Your monthly benefit is	If you die, your spouse would receive	If your spouse dies, you would receive
50% Spouse Option	\$2,132.00	\$1,066.00	\$2,132.00*
75% Spouse Option	\$2,020.00	\$1,515.00	\$2,020.00*
100% Spouse Option	\$1,908.00	\$1,908.00	\$1,908.00*
50% Spouse Option with Pop-Up	\$2,100.00	\$1,050.00	\$2,400.00
75% Spouse Option with Pop-Up	\$1,960.00	\$1,470.00	\$2,400.00
100% Spouse Option with Pop-Up	\$1,820.00	\$1,820.00	\$2,400.00

*If your spouse dies within 3 years of the date your pension starts, this amount will be \$2,400.00, which is the amount of your Regular Pension payable as a Single Life Annuity.

6.05 Small Benefit Cash Out

Under certain conditions, you may be eligible for a one-time lump sum payment of your pension benefits. If the total value of your benefit is less than \$5,000, you will receive a lump sum distribution of your entire pension from the Plan.

If you receive a small benefit distribution, which is eligible for rollover, you may roll over all or part of it to an individual retirement account (IRA) or another qualified plan. If you do not choose to roll over the small benefit payment, federal law requires the Plan to withhold 20% of the total amount as federal income tax withholding.

SECTION 7: QUALIFIED PRERETIREMENT SURVIVOR ANNUITY

7.01 Qualified Preretirement Survivor Annuity

1. Eligibility

A Qualified Preretirement Survivor Annuity (QPSA) is payable if you meet each of the following conditions:

- a. You are vested;
- b. You have at least one Hour of Work on or after January 1, 1976;
- c. You die after August 22, 1984 and before you retire; and
- d. You and your spouse are married for at least the one-year period ending on the date of your death.

2. Amount and Commencement of Benefit

Your surviving spouse's commencement date of the QPSA and the amount payable to him or her depends on whether you are eligible for the immediate payment of a pension as of the date of your death.

- a. If you are eligible for the immediate payment of a pension as of the date of your death, the amount of the survivor benefit is determined as if you had retired with a 50% Spouse Option just prior to your death. The survivor benefit begins the first day of the calendar month following the date of your death.
- b. If you are not eligible for the immediate payment of a pension as of the date of your death, the survivor benefit will begin on the first day of the calendar month following the month in which you would have reached the earliest age at which a pension would have been payable to you.

The amount will be determined as if you had left Covered Employment on the earlier of the date (1) you last worked in Covered Employment or (2) the date of your death. Additionally, the amount of the QPSA is determined as if you had retired with a 50% Spouse Option.

For example: Jack has 10 Pension Credits, has been married to Sue for at least one year, and dies at age 50. At the time of his death, he has met the service requirement for an Early Pension, but not the requirement of having attained age 55. Sue will be eligible for the survivor benefit under the 50% Spouse Option when Jack would have attained age 55.

SECTION 8: RETURNING TO WORK AFTER RETIREMENT

8.01 About Retirement

You are considered retired as of the date you receive your first pension payment from the Pension Fund. During retirement you will receive monthly pension payments for the rest of your life, as long as your benefits are not suspended for work in Prohibited Employment.

8.02 Suspension of Benefits

If you are retired, your monthly benefit is subject to suspension if you work in Prohibited Employment. Prohibited Employment differs for pensioners who are younger than Normal Retirement Age (generally age 62) and for those who are Normal Retirement Age or older.

Before Normal Retirement Age, Prohibited Employment is work in any of the following types of employment:

- Employment with any Contributing Employer.
- Employment with any Employer in an industry in which the Participant worked in Covered Employment.
- Self-employment with any Employer in an industry in which the Participant worked in Covered Employment.
- Employment or self-employment within the scope of any bargaining unit in which the Participant worked in Covered Employment.

After Normal Retirement Age, Prohibited Employment is work that meets all of the following requirements:

- Employment or self-employment that is in an industry in which the Participant worked in Covered Employment;
- Employment or self-employment that is in the geographic area covered by the Plan when the Participant's Pension payments began; and
- Employment or self-employment that is in any occupation in which the Participant worked under the Plan at any time.

After Normal Retirement Age, your benefit will be suspended during any month in which you work more than 40 hours in Covered Employment or Prohibited Employment. The geographic

area covered by the Plan is the State of Illinois and the remainder of any Standard Metropolitan Statistical Areas which fall within Illinois.

Your pension will not be suspended beyond April 1st following the year in which you attain age 70½.

The term “industry covered by the Plan” means the Auto Mechanics’ Industry and any other industry in which Employees covered by the Plan were employed when the Participant’s Pension began or, but for suspension under this Section, would have begun.

The term “geographic area covered by the Plan” means the State of Illinois plus the remainder of any Standard Metropolitan Statistical Area which falls within Illinois and any other area covered by the Plan when the Participant’s Pension began or, but for suspension under this Section, would have begun. It shall also include any area covered by the Plan which, under a reciprocal agreement in effect when the Participant’s pension payments began, had forwarded Contributions to the Plan, on the basis of which the Plan accrued benefits for the Participants.

8.03 Contact the Fund Office When You Return to Work

If you intend to return to work, you are responsible for promptly notifying the Fund Office, in writing, of any employment, regardless of the number of hours you intend to work per month, and regardless of whether you believe the employment would be considered Prohibited Employment. You are also required to notify the Fund Office when you discontinue working.

If you return to work in Prohibited Employment, you must notify the Fund Office within 30 days after the date you return, regardless of the number of hours you intend to work. If you fail to provide timely notice and you are younger than Normal Retirement Age, your benefit payments may be withheld for an additional six (6) months.

If your benefits are suspended, the Fund Office will provide you with a notice describing the reasons for the suspension plus other information about the suspension of benefits.

8.04 Failure to Notify the Fund Office

If you fail to notify the Trustees and it is determined that you are working in Prohibited Employment, the Trustees will attempt to determine when your employment began and your entitlement to benefits ended. It will be assumed that you have been working enough hours to disqualify you from receiving your benefit. You will be allowed to present evidence refuting this assumption.

You can request a review of a decision to suspend benefits by making a written request for review to the Fund Office within 60 days after the date of the notice of suspension. The request for review will be processed in the same way as an appeal of a pension denial.

8.05 Return to Retirement

When your benefit is suspended, you will be provided with a Resumption of Benefits Notice. This must be returned to the Fund Office when you want to retire again and resume receiving pension benefits. After this notice is received, your benefit will resume after the last month the benefit was suspendable, although actual payment is not required until the beginning of the third month following the last month of suspension.

8.06 Repayment Provisions

If you continue receiving a pension check while working in Prohibited Employment, you are obligated to repay the amounts you receive. This means that when you stop working and your benefits begin again, part of the payments may be withheld until the Fund has recovered any improperly paid benefits. If you are Normal Retirement Age or older, the first three monthly payments due to you may be withheld plus up to 25% of the following monthly amounts (including payments to your spouse), if necessary to recover any overpayment. Prior to Normal Retirement Age, all checks due to you may be withheld until the overpayment is recovered.

8.07 Recalculation of Pension Benefit

If you earn at least one year of Vesting Service after you return to work, your pension will be recalculated as of the January 1 following your retirement. The additional Pension Credit earned will be subject to an actuarial offset for any pension benefit you may have already received. However, you will not receive less than the amount previously in pay status.

Note: When you attain age 70½, whether or not you are working, your pension benefits will be paid. You must apply. Payments will start on the April 1st of the year after the year in which you reached age 70½.

SECTION 9: APPLYING FOR YOUR BENEFITS

9.01 Filing Your Pension Application

When you are ready to apply for benefits, contact the Fund Office to request your application. The staff at the Fund Office will assist you in filling out your pension application. Early filing will avoid delay in the processing of your application and payment of benefits.

You should file your application one month in advance of the date you expect your pension benefit to begin. For example, if you want to commence benefits as of March 1, you must submit a completed application on or before February 1.

Your application must include proof of your age, such as a certified copy of your birth certificate or a copy of a valid passport. If you are married, you must submit proof of your marriage and the date of birth of your spouse. If you were previously married, you must submit a copy of the full divorce decree(s). The documents must be acceptable to the Trustees. You must apply for your pension by April 1st of the year following the year in which you reach age 70½.

If you die, your spouse should contact the Fund Office as soon as possible to request instructions about filing an application for benefits. Your spouse will need to supply a certified copy of the death certificate, as well as a copy of the marriage certificate.

9.02 Initial Determination

The Fund Office will make an initial determination of whether you meet the eligibility requirements for a benefit based on the rules of the Pension Plan. If your application for a benefit is denied, you will be informed in writing of the denial. You will also be told the reason for the denial and how to appeal the Trustees' decision.

A decision on your claim will normally be made within 90 days after the claim has been received by the Plan. If additional time is required in special cases, you will be notified in writing (within the 90-day period) of the special circumstances requiring an extension of time and of the date by which the Plan expects to make a final decision on the claim. The extension will not exceed 90 days. Accordingly, the maximum processing time is 180 days (the initial 90 days plus one 90-day extension).

You may be requested to provide additional information so that the Plan can process your claim. A request for additional information will be in writing and will provide a reasonable period to respond. When you respond to the Plan's request for additional information, the ordinary time limits will again start to run. If you do not respond to the Plan's request within the time requested, the Plan will decide your claim without that information, which may result in the denial of your claim.

9.03 Review Rights If Your Claim Is Denied

If your claim is denied, the Plan will send you a written notice stating the specific reason or reasons for the denial, making reference to pertinent Plan provisions on which the denial was based. If applicable, the notice will describe any additional material or information necessary to process your claim, along with an explanation of why such material or information is necessary. A notice of claim denial will also include an explanation of the Plan's appeal procedures.

If your claim has been denied, in whole or in part, you may request a full and fair review (referred to in these procedures as an "appeal") by filing a written notice of appeal with the Fund Office. If you are a pensioner and your pension payments are suspended or stopped for any reason, you have the right to appeal that decision. A notice of appeal must be received by the Fund Office not more than 60 days after your receipt of the written notification of denial of the claim or, if applicable, suspension of your pension. Your appeal is considered to have been filed on the date the written notice of appeal is received by the Fund Office.

In connection with your appeal, you or your authorized representative may review pertinent documents and may provide additional documents or submit issues and comments in writing.

1. Right to Representation

If you wish, another person may represent you in connection with an appeal. If another person claims to be representing you in your appeal, the Trustees have the right to require that you give the Plan a signed statement, advising the Trustees that you have authorized that person to act on your behalf regarding your appeal. Any representation by another person will be at your own expense.

2. Appeal Decision

The appeal will be decided by the Board of Trustees or a sub-committee of the Board. The Trustees hold regular meetings at least four times per year. If your appeal is filed more than 30 days before a regular meeting of the Trustees, your appeal will be decided at that meeting unless special circumstances require an extension of time for processing, in which case a decision will be made on your appeal at the next following meeting of the Trustees. If your appeal is filed within the 30-day period immediately preceding a regular meeting of the Trustees, the appeal will not be decided at that meeting but will be decided at the next following meeting, unless special circumstances require an extension of time for processing your appeal. In that case, a decision will be made on your appeal at the third regular meeting following the date your appeal was filed.

Whenever there are special circumstances that require that the decision be delayed until the next following regular meeting, you will be advised in writing of why the extension of time was needed and when the appeal will be decided.

Once the Board of Trustees has decided your appeal, the Plan will send you a written notice of the decision. The notice will be mailed within five (5) days of the Trustees' decision. If the Trustees uphold the denial of your claim, you will then have the right to file suit under the authority of the Employee Retirement Income Security Act of 1974, as amended (ERISA). Also, if your appeal is denied, you are entitled to receive upon request and at no cost, copies of documents and information that the Plan relied on in denying your claim.

If the decision on a claim or the decision on appeal is not furnished within the time limits stated in these procedures, the claim or appeal is deemed to have been denied. No claim will be considered to have been denied until you have exhausted all of the procedures described in these claims and appeals procedures.

9.04 Discretionary Decision Making

The Board of Trustees as the Plan Administrator has discretionary decision making authority to determine eligibility for benefits and to interpret the provisions of the Plan. Benefits under the Plan will be paid only if the Plan Administrator decides in its discretion that the applicant is entitled to them.

All decisions and interpretations of the Plan Administrator made in good faith pursuant to the Plan shall be final and binding on all persons, subject only to the Plan's claims and appeals procedures. You may not file a lawsuit or other action against the Trust Fund or its Trustees until the matter has been submitted for review under the Plan's claims and appeals procedures.

The decisions of the Plan Administrator will receive judicial deference in any judicial or administrative proceeding to the extent that they do not constitute an abuse of discretion.

9.05 Incompetent or Incapacitated Pensioner or Beneficiary

In the event the Trustees determine that either a pensioner or a beneficiary is unable to care for his or her affairs because of mental or physical incapacity, any payment due may be applied to the maintenance or support of the pensioner or beneficiary, or to a person the Trustees find to be an object of the natural bounty of the pensioner or beneficiary, unless, prior to such payment, a claim was made for the payment by a legally appointed guardian, committee or other legal representative authorized to receive the payment on behalf of the pensioner or beneficiary.

SECTION 10: GENERAL INFORMATION ABOUT THE PLAN

10.01 Assignment of Rights

The Pension Plan contains a provision prohibiting any transfer, assignment, sale or attachment of a pension benefit except in relation to a Qualified Domestic Relations Order. See Section 10.04 for a description of Qualified Domestic Relations Orders.

10.02 Lump Sum Payments and Rollovers

If the value of a benefit payable under the Plan is \$5,000 or less as of the date the benefit payment would start, you or your surviving spouse may elect to receive a single lump sum cash out. If a lump sum is elected, you may be eligible for a rollover to an IRA or another qualified plan.

10.03 Mandatory Payout of Benefits

The Plan requires you to begin receiving a monthly pension no later than April 1st of the year after the year you reach age 70½, regardless of whether you continue employment.

10.04 Qualified Domestic Relations Orders (QDROs)

The Plan, in accordance with law, must recognize a Qualified Domestic Relations Order. A domestic relations order is a judgment, decree or order (including approval of a property settlement agreement) that:

1. Relates to the provision of child support, alimony payments or marital property rights of a spouse, former spouse, child or other dependent of a Participant; and
2. Is made pursuant to state domestic relations law.

A domestic relations order is a Qualified Domestic Relations Order (QDRO) if it creates or recognizes the existence of an Alternate Payee's right to, or assigns to an Alternate Payee the right to receive all or a portion of the benefits payable to a Participant under a plan, specifies required information and does not alter the amount or form of plan benefits.

An Alternate Payee is a spouse, former spouse, child or other dependent of a Participant who is recognized by a domestic relations order as having a right to receive all, or a portion, of the benefits under the Plan with respect to the Participant.

Thus, if a QDRO requires the distribution of all or part of your benefits under the Plan to an Alternate Payee, the Trustees are required to comply with the order. The Trustees have established procedures for administering QDROs. You may request a copy of these procedures at no cost from the Fund Office.

An Alternate Payee who is assigned a benefit by a QDRO may receive the assigned benefit in a form payable for the Participant's life or for the life of the Alternate Payee. In the event a QDRO creates a separate interest for the Alternate Payee, such benefits payable to the Alternate Payee will be actuarially reduced for age and form of payments.

In the event the QDRO is either silent or unclear on any of the following topics, the following assumptions will be used:

1. Separate Interest Approach

If the QDRO is either silent or unclear as to whether the Alternate Payee's benefit is to be payable for the Participant's life or the life of the Alternate Payee, the Plan will pay benefits to the Alternate Payee for his or her life under the separate interest approach. Any actuarial adjustment that may be necessary to convert the Alternate Payee's benefits to his or her own lifetime will be applied to the Alternate Payee's benefits.

2. Death of Alternate Payee Under Separate Interest Approach

If the Alternate Payee predeceases the Participant before commencing his or her benefits, the Alternate Payee's portion of the Participant's benefits will revert to the Participant. If the Alternate Payee predeceases the Participant after his or her benefit commencement date, the Alternate Payee's portion of benefits shall cease.

3. Death of Alternate Payee Under Shared Interest Approach

If the Alternate Payee predeceases the Participant, the Alternate Payee's portion of the Participant's benefits shall revert to the Participant.

4. Early Retirement Subsidy

The Alternate Payee will be entitled to a pro rata share of any early retirement subsidy provided to the Participant on the date of his or her retirement. If the Alternate Payee has already commenced his or her share of the benefits on the date of the Participant's retirement, then the amounts payable to the Alternate Payee will be increased to provide the Alternate Payee with an actuarially adjusted pro rata share of such early retirement subsidy on a prospective basis only. Such pro rata share will be calculated in the same manner as the Alternate Payee's share of the Participant's retirement benefits.

5. Post Dissolution Benefit Accruals

The Alternate Payee will have no right to any increases on any portion of the Participant's benefits which is either granted or accrues subsequent to the date of divorce or dissolution of marriage (which shall be the date the divorce decree is entered by the court).

SECTION 11: ADMINISTRATIVE FACTS

11.01 Type of Plan

This is a defined benefit plan, which means that the benefits provided are based on the benefit formula described in the Plan.

11.02 Plan Name

This Plan is known as the Automobile Mechanics' Local No. 701 Union and Industry Pension Plan for Bargaining Unit A.

11.03 Restatement Date of Plan

The Plan was restated as of January 1, 2009. This Summary Plan Description incorporates changes to the Plan through January 1, 2013.

11.04 Identification Numbers

The Plan identification number is 001. The number assigned to the Board of Trustees by the Internal Revenue Service is 36-6042061.

11.05 Plan Sponsor and Administrator

The Board of Trustees is the Plan Sponsor and Plan Administrator.

11.06 Agent for Service of Legal Process

If legal disputes involving the Plan arise, any legal documents should be served upon the Board of Trustees or the Administrative Manager, Automobile Mechanics' Local No. 701 Union and Industry Pension Fund, 500 West Plainfield Road, Countryside, Illinois 60525.

11.07 Board of Trustees

As of July 19, 2013, the Trustees of the Plan are:

Union Trustees	Employer Trustees
Mr. Armando Arreola Automobile Mechanics' Local No. 701 450 Gundersen Drive Carol Stream, IL 60188	Mr. Ronald Fetty ABF Freight Systems 1900 East Route 30 Sauk Village, IL 60411
Mr. Sam Cicinelli Automobile Mechanics' Local No. 701 450 Gundersen Drive Carol Stream, IL 60188	Mr. Christopher Konecki Chicago Automobile Trade Association 18W200 Butterfield Road Oakbrook Terrace, IL 60181
Mr. Robert Keppler Automobile Mechanics' Local No. 701 450 Gundersen Drive Carol Stream, IL 60188	Mr. David Mashek Prairie Material 7601 W 79 th Street Bridgeview, IL 60455

11.08 Collective Bargaining Agreements

This Plan is maintained pursuant to Collective Bargaining Agreements between the Employers and the Union.

The Fund Office will provide you, upon written request, with information as to whether a particular Employer is contributing to the Plan on behalf of Employees working under the Collective Bargaining Agreements or a list of Contributing Employers.

11.09 Source of Contributions

The benefits described in this booklet are provided through Employer Contributions. The amount of Employer Contributions and the Employees on whose behalf Contributions are made are determined by the provisions of the Collective Bargaining Agreements.

11.10 Pension Trust's Assets and Reserves

All assets are held in Trust by the Board of Trustees for the purpose of providing benefits to eligible Participants and defraying reasonable administrative expenses. The Pension Fund's assets and reserves are invested by investment managers selected by the Board of Trustees.

11.11 Plan Amendment or Termination

The Board of Trustees reserves the right to terminate, modify, suspend, or amend the Plan, pursuant to the terms of the Plan document and trust agreement governing the Plan and in accordance with the Employee Retirement Income Security Act of 1974, as amended (ERISA). You will be notified in writing of any changes that are made. If the Plan was to terminate, the money in the Trust Fund would be used to provide benefits due according to the priority required by law and stated in the Plan document. No funds may be returned to any Employer. If any amounts remain after the benefits have been fully provided, the excess will be divided among Participants. The Board of Trustees will determine when benefits are paid after the Plan termination has been approved by the appropriate government agencies.

SECTION 12: DEFINITIONS

12.01 Accrued Benefit

Accrued Benefit means the amount of monthly benefit that an eligible Participant is entitled to receive, as determined under the Plan, commencing at a Participant's Normal Retirement Age.

12.02 Annual Accrual

Annual Accrual means the amount earned during a Plan Year based on the Participant's work in Covered Employment.

12.03 Collective Bargaining Agreement

Collective Bargaining Agreement means a written agreement between the Union and an Employer that requires Contributions to this Fund.

12.04 Contributions

Contributions are the payments made to the Pension Fund by an Employer on behalf of an Employee as required under the applicable Collective Bargaining Agreement or other written agreements.

12.05 Covered Employment

Covered Employment means employment of an Employee by an Employer which would result or should result in Contributions being paid to the Fund.

12.06 Employee

If you work for an Employer who is required to pay Contributions to the Fund under a Collective Bargaining Agreement or other written agreement, you are an Employee under the Plan.

12.07 Employer

Employer means an employer signatory to a Collective Bargaining Agreement or other written agreement that requires Contributions to this Fund. The Union and the Pension and Welfare Funds shall also be considered Employers with respect to their Employees.

12.08 Hours of Work

An Hour of Work is each hour you are paid, or entitled to be paid by an Employer, for your performance of work duties, including any back pay agreed to by your Employer.

12.09 Normal Retirement Age

The Normal Retirement Age is the earlier of attainment of age 62 with 10 years of continuous participation, or attainment of age 65 with 5 years of continuous participation.

12.10 Participant

Participant means you have met the requirements for participation as provided in Section 1.

12.11 Pension Credit

Pension Credit is the unit of measurement used to determine a Participant's Annual Accrual during a Plan Year.

12.12 Plan or Pension Plan

Plan or Pension Plan means the plan document as adopted by the Trustees known as the "Automobile Mechanics' Local No. 701 Union and Industry Pension Plan."

12.13 Plan Year

The Plan Year is a period of twelve consecutive months from January 1 through December 31 and serves as the period for which Pension Credits, years of Vesting Service and breaks-in-service are computed and recorded. It is also the fiscal year of the Fund for accounting and governmental reporting purposes.

12.14 Rehabilitation Plan

Rehabilitation Plan means the changes to benefits and contribution rate requirements formulated to enable the Pension Fund to emerge from critical status as required by federal law, which was adopted by the Board of Trustees, effective September 30, 2012. The Rehabilitation Plan consists of two schedules, the Preferred Schedule and the Default Schedule as described in Section 1.06.

12.15 Trust Fund or Fund

Trust Fund or Fund means all assets of whatsoever kind and nature from time to time held by the Trustees pursuant to terms and conditions of the trust agreement out of which benefits of the Plan are provided.

12.16 Trustees

Trustees mean the Board of Trustees of the Automobile Mechanics' Local No. 701 Union and Industry Pension Fund.

12.17 Union

Union means the Automobile Mechanics' Local No. 701, affiliated with the International Association of Machinists, AFL CIO.

12.18 Other Terms

Additional terms are defined within the Plan at the corresponding Section.

Terms	Section
1. 50% Spouse Option.....	6.01
2. 50% Spouse Option with Pop-Up.....	6.04
3. 60 or 120-Month Guarantee.....	6.04
4. 75% Spouse Option.....	6.04
5. 75% Spouse Option with Pop-Up.....	6.04
6. 100% Spouse Option.....	6.04
7. 100% Spouse Option with Pop-Up.....	6.04
8. Default Schedule.....	1.06
9. Early Pension.....	5.03
10. Preferred Schedule.....	1.06
11. Prohibited Employment.....	8.02
12. Regular Pension.....	5.02
13. Qualified Domestic Relations Order.....	10.04
14. Qualified Preretirement Survivor Annuity.....	7.01
15. Single Life Annuity.....	6.01
16. Vested Pension.....	5.05
17. Vesting Service.....	3.01

SECTION 13: FEDERAL RIGHTS AND PROTECTION

13.01 Benefit Protection Through the PBGC

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. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first \$11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next \$33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is \$35.75 per month times a Participant's years of credited service.

Example 1: If a Participant with 10 years of credited service has an accrued monthly benefit of \$500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the Participant's years of service ($\$500/10$), which equals \$50. The guaranteed amount for a \$50 monthly accrual rate is equal to the sum of \$11 plus \$24.75 ($.75 \times \$33$), or \$35.75. Thus, the Participant's guaranteed monthly benefit is \$357.50 ($\35.75×10).

Example 2: If the Participant in Example 1 has an accrued monthly benefit of \$200, the accrual rate for purposes of determining the guarantee would be \$20 (or $\$200/10$). The guaranteed amount for a \$20 monthly accrual rate is equal to the sum of \$11 plus \$6.75 ($.75 \times \$9$), or \$17.75. Thus, the Participant's guaranteed monthly benefit would be \$177.50 ($\17.75×10).

The PBGC guarantee generally covers:

1. Normal and early retirement benefits;
2. Disability benefits if you become disabled before the Plan becomes insolvent; and
3. Certain benefits for your survivors.

The PBGC guarantee generally does not cover:

1. Benefits greater than the maximum guaranteed amount set by law;
2. Benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the earlier of:

- a. The date the Plan terminates; or
 - b. The time the Plan becomes insolvent;
3. Benefits that are not vested because you have not worked long enough;
 4. Benefits for which you have not met all of the requirements at the time the Plan becomes insolvent; and
 5. Non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact the PBGC's Technical Assistance Division, 1200 K Street, N.W., 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>. (29 C.F.R. 2520.102-3(m)(3)).

13.02 Your Rights Under ERISA

As a Participant of the Automobile Mechanics' Local No. 701 Union and Industry Pension Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (ERISA). ERISA provides that all Plan Participants will be entitled to:

1. Receive Information About the Plan and Your Benefits

Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and Union halls, all documents governing the Plan, including insurance contracts and Collective Bargaining Agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration (EBSA).

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 assess 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 the annual report.

Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age (generally age 62) 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 12 months. The Plan must provide the statement free of charge.

You may also request to review any periodic actuarial report (including sensitivity testing) received by the Plan for any Plan Year, so long as the report has been in the Plan's possession for at least 30 days; any quarterly, semi-annual, or annual financial report prepared for the Plan by any Plan investment manager or advisor or other fiduciary which has been in the Plan's possession for at least 30 days; and any application filed with the Secretary of the Treasury requesting an extension under Section 304 of ERISA or Section 431(d) of the Internal Revenue Code and the Secretary's determination on the application.

The above information may only be requested with respect to Plan Years beginning after December 31, 2007. The Plan Administrator has 30 days from the day that your written request was received to provide the documents and the Administrator may charge a reasonable fee that covers the cost of furnishing the documents requested. The Plan Administrator will not respond to requests for reports or applications that have already been furnished to you within the 12-month period immediately prior to the date on which the request was received by the Plan. The Administrator is not required to furnish copies of outdated reports and will not provide copies of reports or applications that have been in the Plan's possession for six years or more as of the date on which the request was received by the Plan. The Administrator does not have to disclose the information or data that served as the basis for any report or application being requested and the Administrator will not disclose documents that contain individually identifiable or proprietary information about any Plan Participant, beneficiary, Employee, fiduciary, or Contributing Employer.

2. Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the 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.

3. Enforce Your Rights

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the Plan document or the latest annual report from the Plan and do not receive them within 30 days, you may file a lawsuit 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 Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file a lawsuit 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, you may file a lawsuit 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 a lawsuit 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.

4. Assistance with Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration (29 C.F.R. 2520.102-3(t)(2)).

SECTION 14: APPENDIX

14.01 Spouse Option Factors

Table 1						
Spouse Option Factors						
Age of Spouse in Relation to Age of Employee	50% Payable to Spouse		75% Payable to Spouse		100% Payable to Spouse	
	<u>Without Pop-Up</u>	<u>With Pop-Up</u>	<u>Without Pop-Up</u>	<u>With Pop-Up</u>	<u>Without Pop-Up</u>	<u>With Pop-Up</u>
10 years younger	.860	.850	.8100	.7900	.760	.730
9 years younger	.864	.854	.8145	.7935	.765	.734
8 years younger	.868	.857	.8190	.7970	.770	.738
7 years younger	.872	.861	.8235	.8015	.775	.742
6 years younger	.876	.864	.8280	.8050	.780	.746
5 years younger	.880	.868	.8325	.8085	.785	.750
4 years younger	.884	.871	.8370	.8120	.790	.754
3 years younger	.888	.875	.8415	.8165	.795	.758
2 years younger	.892	.878	.8460	.8200	.800	.762
1 year younger	.896	.882	.8505	.8235	.805	.766
SAME	.900	.885	.8550	.8270	.810	.770
1 year older	.904	.888	.8595	.8305	.818	.777
2 years older	.908	.891	.8640	.8340	.826	.784
3 years older	.912	.894	.8685	.8375	.834	.791
4 years older	.916	.897	.8730	.8410	.842	.798
5 years older	.920	.900	.8775	.8445	.850	.805
6 years older	.924	.903	.8820	.8480	.858	.812
7 years older	.928	.906	.8865	.8515	.866	.819
8 years older	.932	.909	.8910	.8550	.874	.826
9 years older	.936	.912	.8955	.8585	.882	.833
10 years older	.940	.915	.9000	.8620	.890	.840

14.02 60-Month and 120-Month Guarantee Option Factors

Table 2		
60-Month & 120-Month Guarantee Option Factors		
Age	60 Month	120 Month
55	0.997	0.980
56	0.996	0.976
57	0.995	0.972
58	0.994	0.968
59	0.993	0.964
60	0.992	0.960
61	0.991	0.956
62	0.990	0.952
63	0.989	0.948
64	0.988	0.944
65	0.987	0.940
66	0.986	0.932
67	0.985	0.924
68	0.984	0.916
69	0.983	0.908
70	0.982	0.900

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